UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2018

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number **001-36405**

FARMLAND PARTNERS INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland (State or Other Jurisdiction of Incorporation or Organization)	**46-3769850** (IRS Employer Identification No.)
4600 South Syracuse Street, Suite 1450 **Denver, Colorado** (Address of Principal Executive Offices)	**80237** (Zip Code)

Registrant's Telephone Number, Including Area Code **(720) 452-3100**
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name Of Each Exchange On Which Registered
Common Stock, $0.01 par value per share	**New York Stock Exchange**
6.00% Series B Participating Preferred Stock, $0.01 par value per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☑

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of June 30, 2018, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $289,236,790 based on the closing sales price of $8.80 per share as reported on the New York Stock Exchange. (For purposes of this calculation all of the registrant's directors and executive officers are deemed affiliates of the registrant.)

As of March 8, 2019, the registrant had 31,899,291 shares of common stock (34,295,802 on a fully diluted basis, including 2,396,511 Common Units of limited partnership interests in the registrant's operating partnership) held by non-affiliates of the registrant outstanding for an aggregate market value of $165,238,327 ($177,652,254 on a fully diluted basis) based on the closing sales price of $5.18 on the New York Stock Exchange on March 8, 2019.

Documents Incorporated by Reference

Portions of the registrant's Definitive Proxy Statement relating to its 2019 Annual Meeting of Stockholders are incorporated by reference into Part III of this report. The registrant expects to file its Definitive Proxy Statement with the Securities and Exchange Commission within 120 days after December 31, 2018.

FARMLAND PARTNERS INC.

FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make statements in this Annual Report on Form 10-K that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). These forward-looking statements include, without limitation, statements concerning projections, predictions, expectations, estimates, or forecasts as to our business, financial and operational results, future economic performance, crop yields and prices, future rental rates for our properties and the outcomes of ongoing litigation, as well as statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. When we use the words "may," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" or similar expressions or their negatives, as well as statements in future tense, we intend to identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and our actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: general volatility of the capital markets and the market price of our common stock, changes in our business strategy, availability, terms and deployment of capital, our ability to refinance existing indebtedness at or prior to maturity on favorable terms, or at all, availability of qualified personnel, changes in our industry, interest rates or the general economy, the degree and nature of our competition, our ability to identify new acquisitions and close on pending acquisitions, and the other factors described in the risk factors included in Item 1A herein and in other documents that we file from time to time with the Securities and Exchange Commission (the "SEC"). Given these uncertainties contained or reflected in forward-looking statements, undue reliance should not be placed on such statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information, except to the extent required by law.

PART I

Item 1. Business

Our Company

References to "we," "our," "us" and "our company" refer to Farmland Partners Inc., a Maryland corporation, together with our consolidated subsidiaries, including Farmland Partners Operating Partnership, L.P., a Delaware limited partnership (the "Operating Partnership"), of which we are the sole member of the sole general partner.

We are the largest public farmland real estate investment trust in the nation, with a portfolio spanning approximately 162,000 acres across 17 states. Our company is currently diversified across more than 100 tenant farmers who grow more than 26 major commercial crops. As of the date of this Annual Report on Form 10-K, approximately 75% by value of our farmland portfolio is used to grow primary crops, such as corn, soybeans, wheat, rice and cotton, and the balance is used to grow specialty crops, such as almond, citrus, blueberries, vegetables and edible beans. In addition, under the FPI Loan Program, we make loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related purposes.

All of our assets are held by, and our operations are primarily conducted through, the Operating Partnership and its wholly owned subsidiaries. As of the date of this Annual Report on Form 10-K, we own 93.2% of the Class A Common units of limited partnership interest in the Operating Partnership ("Common units") and none of the Series A preferred units of limited partnership interest in the Operating Partnership ("Series A preferred units") or shares of our 6.00% Series B Participating Preferred Stock (the "Series B Participating Preferred Stock"). Unlike holders of our common stock, holders of Common units, Series A preferred units, and Series B Participating Preferred stock, generally do not have voting rights or the power to direct our affairs. See Note 9 to our consolidated financial statements for additional information regarding the Series A preferred units and our Series B Participating Preferred Stock.

In addition to farmland, we own the improvements on our farms, such as irrigation, drainage and grain storage facilities. We also may acquire properties related to farming, such as grain storage facilities, grain elevators, feedlots, processing plants and distribution centers, as well as livestock farms or ranches. In 2018 we had lease options on eleven of our farms for solar and wind production. In addition, during 2018, we engaged directly in farming through FPI Agribusiness Inc., our taxable REIT subsidiary (the "TRS" or "FPI Agribusiness"), whereby we operate a small number of acres (approximately 625 acres during 2018) relying on custom farming contracts with local farm operators.

Our principal source of revenue is rent from tenants that conduct farming operations on our farmland. The majority of the leases in place as of the date of this Annual Report on Form 10-K have fixed annual rental payments. Some of our leases have a variable rent component based on the revenue generated by our farm-operator tenants. We believe that this mix of fixed and variable rents helps insulate us from the variability of farming operations and reduce our credit-risk exposure to farm-operator tenants, while generating attractive risk-adjusted returns and making us an attractive landlord in certain regions where variable leases are customary. However, we may be exposed to tenant credit risk and farming operation risks, particularly with respect to leases that do not require advance payment of at least 50% of the annual rent, leases for which the rent is based on a percentage of a tenant's farming revenues and leases with terms greater than one year.

We elected and qualified to be taxed as a real estate investment trust ("REIT"), under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our short taxable year ended December 31, 2014.

Full Year 2018 and Recent Highlights

During 2018:

- Operating revenues increased 21.3% from 2017 for a total of $56.1 million as compared to 2017 operating revenues of $46.2 million;
- Net operating income increased 31.8% from 2017 for a total of $29.7 million as compared to 2017 net operating income of $22.5 million;
- Net income increased 52.2% from 2017 for a total of $14.0 million as compared to 2017 net income of $9.2 million;
- Adjusted Funds from Operations ("AFFO") decreased 33.6% from 2017 for a total of $9.0 million as compared to 2017 AFFO of $13.3 million;
- We completed six asset acquisitions for total gross consideration of $33.2 million;
- We completed five dispositions for total gross consideration of $31.9 million resulting in an aggregate gain on sale of $3.1 million;
- We repurchased approximately 3.05 million shares of our common stock at an average price of $6.76 per share, or approximately $20.6 million in the aggregate; and
- We repurchased approximately 24,000 shares of our Series B Participating Preferred Stock at an average price of $19.32 per share, or approximately $0.5 million in the aggregate.

For a definition of AFFO and a reconciliation of net income to AFFO, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures."

Investment Focus

We seek to invest in farmland that will give our stockholders exposure to a well-diversified portfolio of high-quality U.S. farmland, while offering an attractive risk-adjusted combination of stable rental income generation and value appreciation. Our principal investment focus is on farmland located in agricultural markets throughout North America; however, we may seek to acquire farmland outside of North America in the future. We also may acquire properties related to farming, such as grain storage facilities, grain elevators, feedlots, cold storage facilities, processing plants and distribution centers, as well as livestock farms or ranches. In addition, under the FPI Loan Program, we may provide loans to farm operators secured by farmland, properties related to farming, crops (growing or stored), and/or agricultural equipment.

Crop Categories

Primary vs Specialty Crops

Farm crops generally can be divided into two principal categories: primary crops and specialty crops. Primary crops include, among others, corn, soybeans, wheat, rice and cotton. Specialty crops can be again divided into two categories: annual specialty crops (generally vegetables) and permanent specialty crops (fruits and nuts grown on trees, bushes or vines). Over the long term, we expect that our farmland portfolio will continue to be comprised of approximately 75% primary crop farmland and 25% specialty crop farmland by value, which we believe will give investors exposure to the increasing global food demand trend in the face of growing scarcity of high quality farmland and will reflect the approximate composition of U.S. agricultural output between primary crops and animal protein (whose production relies principally on primary crops as feed), on one hand, and specialty crops, on the other.

Annual and Permanent Crops

Our portfolio includes farms that produce both annual and permanent crops. Annual crops are planted every year whereas permanent crops, such as trees, bushes and vines, are planted and bear crops over multiple years. We believe

exposure to both annual and permanent crops is an attractive strategy and offers diversification benefits to our portfolio. Annual and permanent crops typically serve different end-markets and generally have uncorrelated pricing.

U.S. Farmland Property

We believe that the United States offers farmland investors exposure to financial benefits driven by the fundamentals of agricultural production and farmland appreciation without many of the risks that come with farmland investments in many other countries. In the United States, the farmland market is relatively liquid and there is virtually no land title risk. The United States has the largest, lowest-cost grain transportation infrastructure in the world, leaving more margin to the grain producer and landowner. Moreover, the United States is one of the largest domestic markets for commodity crops, which are typically priced in U.S. dollars. Lastly, we believe that in most major U.S. agricultural markets, multiple quality farm-operator tenants compete for farmland lease opportunities.

We may consider investing in farmland in other countries that, like the United States, offer virtually no land title risk, a sophisticated farm-operator tenant environment and attractive rental rates, such as Canada, Australia or New Zealand.

Leased Properties

Farming carries materially more operating risk than owning and leasing farmland, although such risk can be mitigated through crop insurance and other risk management tools. We expect to continue to lease a majority of our properties on a fixed-rent basis that does not depend on the success of the tenant's farming operations. Moreover, a majority of the leases in our portfolio provide that at least 50% (and often 100%) of the annual rent is due and payable in advance of each spring planting season, and we expect that a majority of the fixed-rent leases we enter into in the future will have a similar requirement, which reduces our credit-risk exposure in the event of operational issues with the farm-operator tenant. However, to the extent we enter into leases that do not require advance payment of 100% of the annual rent or have terms greater than one year, we may be subject to tenant credit risk and more susceptible to the risks associated with declines in the profitability of tenants' farming operations, and we take such risk into consideration when evaluating the potential return on a farm. We may use variable-rent leases, which depend in part on crop yields and prices, in regions where such arrangements are prevalent or when we expect that such arrangements will be more profitable to us on a risk-adjusted basis. We also may utilize hybrid lease arrangements that require a modest rent payment at lease inception and an additional rent payment based on a percentage of the revenue from the tenant's harvest for that year.

We expect to continue to lease the majority of our primary crop farmland and other farming related properties under leases that require the tenant to either pay or reimburse us for substantially all of the property's operating expenses, including maintenance, water usage and insurance. Consistent with industry practices, we expect that we will generally be responsible for plantings and associated improvements on our permanent crop farmland while our tenants will be responsible for all operating costs. Several of our leases provide for the reimbursement by the tenant of the property's real estate taxes that we pay in connection with the farms they rent from us. The rental payments we receive from the farm operators are the primary source of any distributions that we make to our stockholders.

We expect that over time rental income will increase. Most farmland in the areas where we own or intend to acquire land is leased under short-term leases (typically five years or less), and we plan to lease our properties under short-term leases when possible. By entering into short-term leases, we believe we will be in a position to increase our rental rates when the leases expire and are renewed or the land is re-leased, if prevailing rental rates have increased. However, we can provide no assurances that we will be able to increase our rental rates, or even maintain them at the same level, when the leases are renewed or the land is re-leased.

We believe quality farmland has a near-zero vacancy rate, and we believe that high-quality farmland in an area with a competitive tenant environment is generally leased and farmed each year. For leases that provide that a substantial portion of rental payments for a crop year are due in advance of the spring planting season, in the event of a tenant's failure to pay rent when due, we will seek to terminate the lease and rent the property to another tenant that could then plant and harvest a crop that year. As a result, we believe there is a reduced risk of vacancy on our properties when compared to most other types of commercial properties, such as office buildings or retail properties.

Tenants

We believe the areas where we own and intend to acquire farmland are characterized by a competitive farm-operator tenant environment, with multiple experienced farm operators seeking to expand their operations by leasing additional farmland.

Non-Farming Leases

In addition to leases entered into in connection with farming operations, we seek additional sources of income from our properties that are either incremental, such as wind easements and recreational leases, or are higher than farming rents, such as leases for solar power installations. While we do not believe that such other sources of income will constitute a significant percentage of our total revenues, they offer opportunities to enhance returns to stockholders at little or no cost to us.

Family-Owned Properties

According to the USDA, as of 2017, approximately 96% of farms in the United States were owned by families. We believe that many farm families and individuals may wish to simultaneously sell some of their property and lease it back, continuing their operation of such property under a leasing arrangement. Sellers in these sale-leaseback transactions can use the sale proceeds to repay existing indebtedness, for growth of their farming operations or in other business endeavors. Under some circumstances, these sale-leaseback transactions might be driven by estate planning reasons. We believe that the farmland that we acquire and do not simultaneously lease back to the seller can be leased at attractive rental rates to other farm operators.

As an alternative to selling their farmland to us in an all-cash transaction, we believe that many farm owners may be interested in selling their farmland to us in exchange for Partnership units in order to have an equity interest in our company and participate in any appreciation in value of our properties. By making such an exchange, these farm owners would become investors in a more diversified portfolio of agricultural real estate. Under certain circumstances, the exchange of real estate for Partnership units is a tax-deferred exchange under U.S. federal income tax laws. In addition, because we intend to make cash distributions quarterly or annually, Partnership unit holders would receive regular cash distributions. Finally, Partnership unit holders would have the flexibility to tender their Partnership units in the future for redemption by us for cash, or, at our election, shares of our common stock that they could then sell in the public market, thereby allowing these sellers to determine the timing of recognizing taxable gain. Because we expect the issuance of Partnership units in exchange for farmland generally will be driven by the desires of prospective sellers, we do not know how frequently we will issue Partnership units in exchange for farmland properties. However, we believe that using Partnership units as acquisition consideration can be a significant part of our property acquisition strategy.

Other Investments

In addition to farmland, we also may acquire properties related to farming, such as grain storage facilities, grain elevators, feedlots, cold storage facilities, processing plants and distribution centers, as well as livestock properties.

Underwriting Criteria and Due Diligence Process

Selecting the Property

We seek to acquire high quality farmland that offers an attractive risk-adjusted balance of current returns and appreciation potential. We believe our management team's deep understanding of agribusiness fundamentals and insight into factors affecting the value of farmland allow us to identify properties consistent with our investment criteria. We believe the following factors are important in the selection of farmland:

- *Soil Quality* —Soil quality is a fundamental determinant of farmland productivity and therefore of its value. In considering farmland for purchase, we take soil quality into consideration to determine whether the farmland is attractively priced. In general, we focus on farmland with average or better-than-average soil.

- *Water Availability* —Appropriate water availability is an essential input to farming and key consideration in determining the productivity and value of farmland. We seek to acquire farmland where water availability through precipitation and irrigation meets the agronomic needs of the crops expected to be grown. As part of our acquisition due diligence process, we evaluate properties for water availability and any associated ground or surface water rights. Where appropriate, we may also invest in irrigation infrastructure to improve the productivity of properties we own. Occasionally we may acquire farmland at prices that more than compensate us for any potential reduction in water availability, which, in the future may result in a shift to different crops or production systems.

- *Robust and Competitive Tenant Environment* —We focus primarily on farmland located in areas characterized by a robust and competitive tenant environment, with a relatively large population of experienced farm operators as potential tenants.

- *Market Access* —Due to the higher costs of road transportation, the location of primary crop farmland relative to points of demand (e.g., grain elevators, feedlots and ethanol plants) or access to low-cost transportation (e.g., river ports and rail loading facilities) determines the premium or discount in farm-gate commodity prices compared to the general market prices (also known as “basis”), and therefore is one of the factors that impacts its value. We focus on acquiring primary crop farmland in areas with substantial farming infrastructure and low transportation costs, including markets with access to river and rail transportation.

- *Climate* —Crops have particular climatic growing requirements. As such, we seek to acquire properties in regions with climates conducive to the expected crops. We believe that diversification within and across core farming regions and crop types provides significant annual and long-term risk mitigation to our investors.

We perform a due diligence review with respect to each potential property acquisition. The due diligence investigation includes both property-specific factors (e.g., soil types and fertility, water availability and rights, topographical characteristics and property taxes) and location-specific factors (e.g., climate, tenant availability and quality, and market access). As part of our due diligence process, we also perform a valuation of each target property and estimate expected lease rates.

Selecting Tenants

We intend to continue to focus primarily on farm properties located in areas with a robust and competitive environment of experienced tenants. In general, the tenant selection process focuses primarily on candidates' experience and reputation based upon background and reference checks of potential tenants, as well as their willingness and ability to pay competitive rental rates. We consider similar factors in analyzing sale-leaseback transactions. In geographic areas where we already own one or more properties, we may give our existing local tenants priority consideration, especially in exchange for sourcing a property acquisition opportunity. We often mitigate tenant credit risk by requiring a significant portion of a year's rent in advance of each planting season whenever possible, by requiring a tenant to adopt crop insurance, and/or by securing agricultural or statutory liens on growing crops. In addition, we monitor our existing tenants by periodically conducting site visits of the farms and meeting with the tenants to discuss their farming operations and the condition of the farms. However, in some circumstances, we may be exposed to tenant credit risk and may be subject to farming operation risks, such as adverse weather conditions and declines in commodity prices, particularly with respect to leases that do not require advance payment of 100% of the annual rent, variable-rent leases for which the rent is based on a percentage of a tenant's farming revenues and leases with terms greater than one year. See "Risk Factors—Risks Related to Our Business and Properties.” We do not intend to continuously monitor and evaluate tenant credit quality and may be subject to risks associated with our tenants' financial condition and liquidity position.

FPI Loan Program

We believe that our existing systems and personnel are well suited to source, diligence, close and manage loans under the FPI Loan Program at little or no additional cost to us. We believe that the business of making loans to farm operators secured by farmland, properties related to farmland, crops (growing or stored), and/or agricultural equipment is highly

complementary to, and synergistic with, our core business of investing in farmland. We generally find potential borrowers during the process of sourcing farm acquisitions. We conduct due diligence on loan collateral the same way we conduct due diligence on potential farm acquisitions, and we screen potential borrowers the same way we screen potential tenants. The FPI Loan Program offering gives us an increased visibility in the marketplace, thereby benefiting our core farmland investing business.

Seasonality

Because the leases for many of the properties in our portfolio require significant payments in advance of the spring planting season, we receive a significant portion of our fixed cash rental payments in the first calendar quarter of each year, although we recognize rental revenue from these leases on a pro rata basis over the non-cancellable term of the lease in accordance with GAAP. We receive a significant portion of our variable rental payments in the fourth calendar quarter of each year, following harvest, with only a portion of such payments being recognized ratably through the year in accordance with GAAP, in relation to crop insurance contracts entered into by our tenants. The highly seasonal nature of the agriculture industry causes seasonality in our business to some extent. Our financial performance should be evaluated on an annual basis, which eliminates quarterly performance variability due to crop share revenues, lease periods not matching fiscal years, and other similar factors that may cause our quarterly results to vary during the course of the year.

Our Properties

As of the date of this Annual Report on Form 10-K, we own approximately 162,000 total acres of farmland. During the year ended December 31, 2018, the Company completed six acquisitions which were accounted for as asset acquisitions in Nebraska, North Carolina, South Carolina and Illinois. Consideration totaled $33.8 million and was comprised of cash. Also during the year ended December 31, 2018 the Company completed five dispositions in Texas, Illinois and Louisiana. Cash receipts on these dispositions totaled $31.9 million with a total gain of $3.1 million. See “Managements’ Discussion and Analysis of Financial Condition and Results of Operations” for more information about our portfolio. The distribution of farms by regions is as follows:

Region	Total Acres
Corn Belt	45,933
Delta + South	26,846
High Plains	31,279
Southeast	46,196
West Coast	11,586
	161,840

Corn Belt includes farms located in Illinois, Michigan and eastern Nebraska. Delta and South includes farms located in Arkansas, Louisiana and Mississippi. High Plains includes farms located in Colorado, Kansas, western Nebraska, South Dakota and Texas. Southeast includes farms located in Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia. West Coast includes farms located in California.

As of the date of this Annual Report on Form 10-K, our portfolio has the following rents or rent estimates for 2019 by lease type or status. This table does not include additional rents from properties not yet put in service due to improvement projects, loan interest income from loans outstanding under the FPI Loan Program, and other revenues:

($ in thousands)

Lease Type or Status - as of the date of this Annual Report		2019 Rent	%
Leases in place with third parties			
Fixed rent [1]	$	35,761	73.8 %
Variable rent [2]		11,418	23.6 %
Leases being negotiated [3]		1,298	2.6 %
	$	48,477	100.0 %
Tenant Reimbursements		3,795	
	$	52,272	

(1) Includes the fixed rent portion of leases providing for fixed and variable rent components.
(2) Management estimate based on farms’ historical productivity and regional crop price projections. We can provide no assurance that crop yields and prices will reach expected levels or that we will obtain the rents we anticipate.

(3) Management estimate based on the current status of lease negotiations and the current leasing market environment for each farm. We can provide no assurance that the rents we obtain will reflect the current status of our lease negotiations or the current leasing market environment for each farm.

Tax Status

We elected and qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our short taxable year ended December 31, 2014. Our qualification as a REIT will depend upon our ability to meet, on a continuing basis, through actual investment and operating results, various complex requirements under the Code, relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our capital stock. We believe that we are organized in conformity with the requirements for qualification as a REIT under the Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT for U.S. federal income tax purposes.

As a REIT, we generally will not be subject to U.S. federal income tax on our taxable income that we distribute to our stockholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute on an annual basis at least 90% of their REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. If we fail to qualify for taxation as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income for that year will be subject to tax at regular corporate rates, and we would be disqualified from taxation as a REIT for the four taxable years following the year during which we ceased to qualify as a REIT. Even if we qualify as a REIT for U.S. federal income tax purposes, we may still be subject to state and local taxes on our income and assets and to U.S. federal income and excise taxes on our undistributed income. Additionally, any income earned by FPI Agribusiness Inc., our taxable REIT subsidiary, and any other taxable REIT subsidiaries that we form or acquire in the future will be fully subject to U.S. federal, state and local corporate income tax.

Insurance

Under the terms and conditions of the leases on our current properties, tenants are generally required, at their expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies and to name us an additional insured party. These policies include liability coverage for bodily injury and property damage arising out of the ownership, use, occupancy or maintenance of the properties and all of their appurtenant areas. In addition to our tenants' insurance policies under which we will be an additional insured party, we also maintain comprehensive liability and casualty insurance covering all of our properties under a blanket insurance policy, which provides coverage to the extent there is insufficient coverage under our tenants' policies. The terms of leases that include variable rent payments generally require the tenant to carry crop insurance protecting against crop failures and crop price declines.

Regulation

Farming Regulations

The farmland that we own and intend to acquire is used for growing crops and is subject to the laws, ordinances and regulations of state, local and federal governments, including laws, ordinances and regulations involving land use and usage, water rights, treatment methods, disturbance, the environment and eminent domain.

Farmland is principally subject to environmental and agricultural laws, ordinances and regulations. Each governmental jurisdiction has its own distinct laws, ordinances and regulations governing the use of farmland. Many such laws, ordinances and regulations seek to regulate water usage and water runoff because water can be in limited supply, as is the case where certain of the properties in our portfolio are located.

All of the farms in our portfolio have sources of water, including expected precipitation, wells and/or surface water, that currently provide sufficient amounts of water necessary for the current farming operations at each location. However, should the need arise for additional water from wells and/or surface water sources, such permits and approvals may be difficult to obtain in areas with limited supply of available water. We believe that as of the date of this Annual Report on

Form 10-K our farms are in compliance with applicable state, county and federal environmental and agricultural regulations.

In addition to the regulation of water usage and water runoff, state, local and federal governments also seek to regulate the type, quantity and method of use of chemicals and materials for growing crops, including fertilizers, pesticides and nutrient rich materials. Such regulations could include restricting or preventing the use of such chemicals and materials near residential housing or near water sources. Further, some regulations have strictly forbidden or significantly limited the use of certain chemicals and materials.

As an owner of farmland, we may be liable or responsible for the actions or inactions of our tenants with respect to these laws, regulations and ordinances.

Real Estate Industry Regulation

Generally, the ownership and operation of real properties is subject to various laws, ordinances and regulations, including regulations relating to zoning, land use, water rights, wastewater, storm water runoff and lien sale rights and procedures. These laws, ordinances or regulations, such as the Comprehensive Environmental Response and Compensation Liability Act ("CERCLA") and its state analogs, or any changes to any such laws, ordinances or regulations, could result in or increase the potential liability for environmental conditions or circumstances existing, or created by tenants or others, on our properties. Laws related to upkeep, safety and taxation requirements may result in significant unanticipated expenditures, loss of our properties or other impairments to operations, any of which would adversely affect our cash flows from operating activities.

Environmental Matters

As an owner of real estate, we will be subject to various federal, state and local environmental laws, regulations and ordinances and also could be liable to third parties resulting from environmental contamination or noncompliance at our properties. Environmental laws often impose liability without regard to whether the owner or operator knew of or was responsible for the presence of the contaminants. The costs of any required investigation or cleanup of these substances could be substantial. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties also may expose us to third-party liability for personal injury or property damage or adversely affect our ability to lease the real property or to borrow using the real estate as collateral. These and other risks related to environmental matters are described in more detail in "Item 1A. Risk Factors."

Competition

Competition to our efforts to acquire farmland can come from many different entities. Individual farmers are the most active buyers of farmland. Institutional investors, investment funds, other farmland REITs, individual investors and others also compete for farmland acreage. Investment firms that we might compete directly against could include agricultural investment firms such as Westchester Agriculture Asset Management (a TIAA company), Hancock Agricultural Investment Group, International Farming Corporation, Ceres Partners, Gladstone Land Corp, and UBS Agrivest, LLC. These firms engage in the acquisition, asset management, valuation and disposition of farmland properties.

Employees

At March 8, 2019, we had 13 employees. None of our employees is a member of a labor union.

Corporate Information

Our executive offices are located at 4600 South Syracuse Street, Suite 1450, Denver, Colorado 80237. Our telephone number at our executive offices is (720) 452-3100 and our corporate website is www.farmlandpartners.com. The information on, or accessible through, our website is not incorporated into and does not constitute a part of this Annual Report on Form 10-K or any other report or document we file with or furnish to the SEC.

Available Information

We file our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports with the SEC. You may obtain copies of these documents by accessing the SEC's website at www.sec.gov. In addition, as soon as reasonably practicable after such materials are furnished to the SEC, we make copies of these documents available to the public free of charge through our website or by contacting our Secretary at the address set forth above under "—Corporate Information."

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and the charters of our audit committee, compensation committee and nominating and corporate governance committee are all available in the Governance Documents section of the Corporate Information section of our website.

Financial Information

For required financial information related to our operations, please refer to our consolidated financial statements, including the notes thereto, included within this Annual Report on Form 10-K.

Item 1A. Risk Factors

Set forth below are the risks that we believe are material to our stockholders. You should carefully consider the following risks in evaluating our Company and our business. The occurrence of any of the following risks could materially adversely impact our financial condition, results of operations, cash flow, the market price of shares of our common stock and our ability to, among other things, satisfy our debt service obligations and to make distributions to our stockholders, which in turn could cause our stockholders to lose all or a part of their investment. Some statements in this report including statements in the following risk factors constitute forward-looking statements. Please refer to the section entitled "Special Note Regarding Forward-Looking Statements" at the beginning of this Annual Report on Form 10-K.

Risks Related to Our Business and Properties

Our business is dependent in part upon the profitability of our tenants' farming operations, and a sustained downturn in the profitability of their farming operations could have a material adverse effect on the amount of rent we can collect and, consequently, our cash flow and ability to make distributions to our stockholders.

We depend on our tenants to operate the farms we own in a manner that generates revenues sufficient to allow them to meet their obligations to us, including their obligations to pay rent and real estate taxes, maintain certain insurance coverage and maintain the properties generally. The ability of our tenants to fulfill their obligations under our leases depends, in part, upon the overall profitability of their farming operations, which could be adversely impacted by, among other things, adverse weather conditions, crop prices, crop disease, pests, and unfavorable or uncertain political, economic, business or regulatory conditions. We are susceptible to any decline in the profitability of our tenants' farming operations for our variable-rent leases, pursuant to which the amount of rent depends on crop yields and prices realized by our tenants, as well as for our leases with terms longer than one year. In addition, many farms are dependent on a limited number of key individuals whose injury or death may affect the successful operation of the farm. We can provide no assurances that, if a tenant defaults on its obligations to us under a lease, we will be able to lease or re-lease that farm on economically favorable terms in a timely manner, or at all. In addition, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment.

As a result, any downturn in the profitability of the farming operations of our tenants or a downturn in the farming industry as a whole could have a material adverse effect on our financial condition, results of operations, cash flow and ability to make distributions to our stockholders.

We have a substantial amount of indebtedness outstanding, which may expose us to the risk of default under our debt obligations, restrict our operations and our ability to grow our business and revenues and restrict our ability to pay distributions to our stockholders.

As of December 31, 2018 and March 8, 2019, we had approximately $525.3 million and $525.3 million, respectively, of outstanding indebtedness, all of which is secured by mortgages on our farms. We intend to incur additional debt in connection with future acquisitions or for other purposes and, if necessary, we may borrow funds to make distributions to our stockholders in order to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes. To the extent that we do not have sufficient funds to repay our debt at maturity, it may be necessary to refinance the debt through new debt or equity financings, which may not be available on acceptable terms or at all and which could be dilutive to our stockholders. If we are unable to refinance our debt on acceptable terms or at all, we may be forced to dispose of farms at inopportune times or on disadvantageous terms, which could result in losses. In addition, our debt agreements include customary events of default, the occurrence of any of which, after any applicable cure period, would permit the lenders to, among other things, accelerate payment of all amounts outstanding under the loans and to exercise their remedies with respect to the collateral, including foreclosure and sale of the agricultural real estate securing the loans. Certain of our debt agreements also contain cross-default provisions that give the lender the right, in certain circumstances, to declare a default if we are in default under other loans. If any one of these events were to occur, our financial condition, results of operations, cash flow and ability to pay distributions to our stockholders could be materially and adversely affected.

We are currently subject to, and may in the future be subject to, litigation or threatened litigation, which may divert management time and attention, require us to pay damages and expenses or restrict the operation of our business.

We are currently subject to, and may be subject in the future, to litigation or threatened litigation, including claims relating to the actions of our tenants, claims brought by shareholders, and otherwise in the ordinary course of business. In particular, we are subject to the risk of complaints by our tenants involving premises liability claims and alleged violations of landlord-tenant laws, which may give rise to litigation or governmental investigations, as well as claims and litigation relating to real estate rights or uses of our properties. We are also subject to shareholder litigation and subject to a risk of additional shareholder litigation in the future. Some of the pending and potential future claims against the company may result in significant defense costs and potentially significant judgments against us, some of which are not, may not be, or cannot be, insured against. Additionally, whether or not any dispute actually proceeds to litigation, we may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from our management's ability to focus on our business. Any such resolution could involve the payment of damages or expenses by us, which may be significant, or involve our agreement with terms that restrict the operation of our business. We generally intend to vigorously defend ourselves; however, we cannot be certain of the ultimate outcomes of pending claims against the Company or of those claims that may arise in the future. Resolution of these types of matters against us may result in our having to pay significant fines, judgments, or settlements, which, if uninsured, or if the fines, judgments, and settlements exceed insured levels, could adversely impact our earnings and cash flows, thereby having an adverse effect on our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our common stock. Certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage and could expose us to increased risks that would be uninsured, and/or adversely impact our ability to attract officers and directors, which could adversely impact our results of operations, cash flows and our ability to pay distributions on, and the value of, our common and preferred stock.

Approximately 75% of our portfolio is comprised of properties used to grow primary crops such as corn, soybeans, wheat, rice and cotton, which subjects us to risks associated with primary row crops.

By value, approximately 75% of our portfolio is used for primary crops, such as corn, soybeans, wheat, rice and cotton. As a result, any development or situation that adversely affects the value of properties generally or the prices of corn, soybeans, wheat, rice or cotton could have a more significant adverse impact on us than if our portfolio had less exposure to primary crops, which could materially and adversely impact our financial condition, results of operations and ability to make distributions to our stockholders.

Investments in farmland used for permanent/specialty crops have a different risk profile than farmland used for annual row crops.

By value, approximately 25% of our portfolio is used for permanent crops, and, in the future, we may add to our investments in farmland used for permanent crops, as opposed to annual row crops. Permanent crops have plant structures (such as trees, vines or bushes) that produce yearly crops without being replanted. Examples include blueberries, oranges, apples, almonds and grapes. Permanent crops require more time and capital to plant and bear fruit and are more expensive to replace. If a farmer loses a permanent/specialty crop to drought, flooding, fire or disease, there generally would be significant time and capital needed to return the land to production because a tree or vine may take years to grow before bearing fruit.

Permanent crop plantings also reduce a farmer's ability to adapt to changing market conditions by changing crops. If demand for one type of permanent crop decreases, the permanent crop farmer cannot easily convert the farm to another type of crop because permanent crop farmland is dedicated to one crop during the lifespan of the trees or vines and therefore cannot easily be rotated to adapt to changing environmental or market conditions.

Our failure to continue to identify and consummate suitable acquisitions would significantly impede our growth and our ability to further diversify our portfolio by geography, crop type and tenant, which could materially and adversely affect our results of operations and cash available for distribution to our stockholders.

Our ability to continue to expand through acquisitions is important to our business strategy and requires that we identify and consummate suitable acquisition or investment opportunities that meet our investment criteria and are compatible with our growth strategy. We compete for the acquisition of farmland and properties related to farming with many other entities engaged in agricultural and real estate investment activities, including individual and family operators of farming businesses, corporate agriculture companies, financial institutions, institutional pension funds, public REITS, other real estate companies, private equity funds and other private real estate investors. These competitors may prevent us from acquiring desirable properties or may cause an increase in the price we must pay for such properties. Our competitors may adopt transaction structures similar to ours, which would decrease our competitive advantage in offering flexible transaction terms. In addition, the number of entities and the amount of funds competing for suitable investment properties may increase, resulting in increased demand and increased prices paid for these properties. If we pay higher prices for properties, our profitability may decrease, and you may experience a lower return on your investment. Our failure to identify and consummate suitable acquisitions would significantly impede our growth, which would adversely affect our results of operations and cash available for distribution to our stockholders.

Failure to succeed in new markets may have adverse consequences.

We intend to continue to acquire properties across the U.S. and may from time to time evaluate potential international acquisitions. When we acquire properties located in new geographic areas in the U.S. or internationally, or properties primarily devoted to a crop or industry with which we are less familiar (such as certain specialty crops, energy production, dairy farms or hog farms), we may face risks associated with a lack of market knowledge or understanding of the local market, including the availability and identity of quality tenants, forging new business relationships in the area, developing an understanding of a crop or industry unfamiliar to us, and unfamiliarity with local or crop-specific government requirements and procedures. Furthermore, the negotiation of a potential expansion into new markets or industries may divert management time and other resources. As a result, we may have difficulties executing our business strategy in these new markets, which could have a negative impact on our results of operations and ability to make distributions to our stockholders.

We do not intend to continuously monitor and evaluate tenant credit quality and our financial performance may be subject to risks associated with our tenants' financial condition and liquidity position.

Certain of our leases do not require the full payment of rent in cash in advance of the planting season, which subjects us to credit risk exposure to our farm-operator tenants and the risks associated with farming operations, such as weather, commodity price fluctuations and other factors. We also are exposed to these risks with respect to leases for which the rent is based on a percentage of a tenant's farming revenues and leases with terms greater than one year. Because we do not intend to monitor and evaluate the credit risk exposure related to farm-operator tenants on an ongoing basis, we are subject

to the risk that our tenants, particularly those that may depend on debt and leverage to finance their operations, could be susceptible to bankruptcy in the event that their cash flows are insufficient to satisfy their financial obligations, including meeting their obligations to us under their leases. As a result, we may not become aware of a tenant's financial distress until the tenant fails to make payments to us when due, which may significantly reduce the amount of time we have to evict the tenant and re-lease the farmland to a new tenant before the start of the spring planting season, and in the event of a tenant bankruptcy we may not be able to terminate the lease. If we are unable to re-lease the farmland on a timely basis, it could have a material adverse effect on our revenues.

Our short-term leases, albeit an industry standard, make us more susceptible to any decreases in prevailing market rental rates than would be the case if we entered into longer-term leases, which could have a material adverse effect on our results of operations and ability to make distributions to our stockholders.

Most of our leases with tenants engaged in farming operations have terms ranging from two to three years for row crops and one to seven years for permanent crops, which is customary in the farming industry. We expect that most of the leases we enter into in the future will have two to seven-year terms. As a result, we will be required to frequently re-lease our properties upon the expiration of our leases, which will make us more susceptible to declines in market rental rates than we would be if we were to enter into longer term leases. As a result, any decreases in the prevailing market rental rates in the geographic areas in which we own properties could have a material adverse effect on our results of operations and ability to make distributions to our stockholders.

We may be unable to collect balances due on our leases from any tenants in financial distress or bankruptcy, which could materially and adversely affect our financial condition, results of operations and cash flow.

We are subject to tenant credit risk. Our tenants, particularly those that may depend on debt and leverage, could be susceptible to defaults under their leases or bankruptcy in the event that their cash flows are insufficient to satisfy their financial obligations.Certain of our tenants have defaulted on their lease payments, and we have been forced to pursue alternative arrangements with those tenants in order to recover amounts due under the leases. In the future, we may be forced to enter into similar alternative arrangements or pursue litigation in order to collect payments from tenants who are unable make their lease payments as they come due. We can provide no assurances that we will be able to collect the full amount due under a particular lease if we are forced pursue alternative payment arrangements or litigation with any of our tenants.

If a bankrupt tenant rejects a lease with us, any claim we might have for breach of the lease, excluding a claim against collateral securing the lease, would be treated as a general unsecured claim. In the event of a tenant's default under its lease or its rejection of the lease in bankruptcy proceedings, we may be unable to locate a replacement tenant in a timely manner or on comparable or better terms. As a result, our financial condition, results of operations and ability to make distributions to our stockholders could be adversely affected.

We depend on external sources of capital that are outside of our control and may not be available to us on commercially reasonable terms or at all, which could limit our ability to, among other things, acquire additional properties, meet our capital and operating needs or make the cash distributions to our stockholders necessary to maintain our qualification as a REIT.

In order to maintain our qualification as a REIT, we are required under the Code to, among other things, distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our REIT taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including acquisition opportunities and principal and interest payments on any outstanding debt, from operating cash flow. Consequently, we rely on third-party sources to fund our capital needs. We may not be able to obtain such financing on favorable terms, in the time period we desire, or at all. Any debt we incur will increase our leverage, expose us to the risk of default and may impose operating restrictions on us, and

any additional equity we raise (including the issuance of Common or preferred units) could be dilutive to existing stockholders. Our access to third-party sources of capital depends, in part, on:

- general market conditions;
- the market's view of the quality of our assets;
- the market's perception of our growth potential;
- our debt levels;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price per share of our common stock and preferred stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, meet the capital and operating needs of our existing properties, satisfy our debt service obligations or make the cash distributions to our stockholders necessary to qualify and maintain our qualification as a REIT.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties and harm our financial condition.

The real estate investments made, and to be made, by us may be difficult to sell quickly. As a result, our ability to promptly sell one or more properties in our portfolio in response to liquidity needs, changing economic, financial and investment conditions may be limited or we may have to sell properties at a loss. Return of capital and realization of gains, if any, from an investment generally will occur upon disposition or refinancing of the underlying property. We may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy. In particular, weakness in or even the lack of an established market for a property, changes in the financial condition or prospects of prospective purchasers, changes in national or international economic conditions and changes in laws, regulations or fiscal policies of jurisdictions in which the property is located, in each case may limit our ability to dispose of a property.

In addition, the Code imposes restrictions on a REIT's ability to dispose of properties that are not applicable to other types of real estate companies. In particular, the tax laws applicable to REITs effectively require that we hold our properties for investment, rather than primarily for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in our best interests. Moreover, if we acquire properties from C corporations (*i.e.* , corporations generally subject to full corporate-level tax) in certain non-taxable transactions, as was the case with our acquisition of the Hudye Farm in 2014, built-in gain recognized on the non-taxable disposition of such properties within 5 years of our acquisition will be subject to tax at the highest applicable U.S. federal corporate income tax rate. Therefore, we may not be able to vary our portfolio in response to economic or other conditions promptly or on favorable terms.

Some state laws prohibit or restrict the ownership of agricultural land by business entities, which could impede the growth of our portfolio and our ability to diversify geographically.

Certain states, including Iowa, North Dakota, South Dakota, Minnesota, Oklahoma, Wisconsin, Missouri and Kansas, in which a substantial amount of primary crop farmland is located, have laws that prohibit or restrict to varying degrees the ownership of agricultural land by corporations or business entities like us. As of December 31, 2018, we owned 1,959 acres of farmland in Kansas and 1,690 in South Dakota, and our ownership of those farms may be challenged under Kansas or South Dakota law, in which case we may be required to sell those farms at an unfavorable time and on unfavorable terms. Additional states may, in the future, pass similar or more restrictive laws, and we may not be legally permitted, or it may become overly burdensome or expensive, to acquire properties in these states, which could impede the growth of our portfolio and our ability to diversify geographically in states that might otherwise have attractive investment opportunities.

Our farms are subject to adverse weather conditions, seasonal variability, crop disease and other contaminants, which may affect our tenants' ability to pay rent and thereby have a material adverse effect on our results of operations, financial condition, and our ability to make distributions to stockholders.

Crops are vulnerable to adverse weather conditions, including windstorms, tornados, floods, drought and temperature extremes, which are common but difficult to predict. Unfavorable growing conditions can reduce both crop yield and quality. Seasonal factors, including supply and consumer demand, may also have an effect on the value of crops grown by our tenants. In extreme cases, entire harvests may be lost in some geographic areas.

In addition, crops are vulnerable to disease and pests. Damages to tenants' crops may vary in severity and effect, depending on the stage of production at the time of infection or infestation, the type of treatment applied and climatic conditions. The costs to control these infestations vary depending on the severity of the damage and the extent of the plantings affected. These infestations can increase the costs and decrease the revenues of our tenants. Tenants may also incur losses from product recalls, fines or litigation due to other contaminants that may cause food borne illness. It is difficult to predict the occurrence or severity of such product recalls, fines or litigation as well as their impact upon our tenants.

We are particularly susceptible to adverse weather conditions (such as windstorms, tornados, floods, drought, hail and temperature extremes), transportation conditions (including navigation of the Mississippi River), crop disease, pests and other adverse growing conditions in California, Illinois, North Carolina, Colorado and Arkansas, which generate a significant portion of our revenues.

While many of our leases are on a fixed-rent basis that does not change based on the success of the farming operations, we also utilize variable-rent leases pursuant to which the amount of the rent depends on crop yields and prices in regions where such arrangements are prevalent. Adverse weather conditions, seasonal variability, crop disease, pests and contaminants could adversely affect the value of production on properties. This could impact our variable rent proceeds and our tenants' ability to continue to meet their obligations to us. This could have a material adverse effect on the value of our properties, our results of operations, financial condition, and our ability to make distributions to our stockholders.

The market prices of the crops that our tenants may produce on our agricultural properties have exhibited periods of volatility, which may affect our tenants' ability to pay rent and thereby have a material adverse effect on our results of operations and our ability to make distributions to stockholders.

The value of a crop is affected by many factors that can differ on a yearly basis. The unpredictability of weather and crop yields in the major crop production regions worldwide creates a significant risk of price volatility, which may either increase or decrease the value of the crops that our tenants produce each year. Other material factors adding to the volatility of crop prices are changes in government regulations and policy, fluctuations in global prosperity, fluctuations in foreign trade and export markets, and eruptions of military conflicts or civil unrest. Although rental payments under the majority of our leases typically are not based on the quality or profitability of our tenants' harvests, any of these factors could adversely affect our tenants' ability to meet their obligations to us and our ability to lease or re-lease properties on favorable terms, or at all, which could have a material adverse effect on the value of our properties, our results of operations and our ability to make distributions to our stockholders.

The impacts of trade disputes could adversely affect the profitability of our tenants' farming operations, which could have a material adverse effect on our results of operations, financial condition, ability to make distributions to our stockholders and the value of our properties.

Recent trade disputes between the United States and its primary agricultural trade partners have negatively impacted the market prices of certain crops that our tenants grow on our properties. For example, China recently announced a 25% tariff on agricultural products including soybeans, corn, wheat and other agricultural products. Prior to the trade tensions, the U.S. exported 50% of its soybean crop, and 58% of those exports were to China, worth approximately U.S. $14 billion. In light of the trade disputes with the United States, China has been sourcing its agricultural products from other markets. A reduction in crop prices could adversely affect the profitability of our tenants and negatively impact their ability to make rental payments as they come due. If we are unable to recover the rental payments, our results of operations, financial

condition and ability to make distributions to our stockholders could be materially and adversely effected. If we are required to remove a tenant, we may not be able to release the property at current rental rates or at all. Furthermore, prolonged trade disputes that lead to a continuation of depressed crop prices could materially and adversely affect the underlying value of our properties

Adverse changes in government policies related to farming could affect the prices of crops and the profitability of farming operations, which could materially and adversely affect the value of our properties and our results of operations.

There are a number of government programs that directly or indirectly affect the profitability of farm operators. These include marketing, export, renewable fuel and insurance policies and programs. Significant changes to or the elimination of programs and policies could adversely affect crop prices and the profitability of farming operations, which could materially and adversely impact the value of our farms and our ability to lease them on favorable terms, or at all, which would have a material adverse effect on our results of operations.

If the U.S. Federal Reserve or other central banks embark on a substantial tightening of monetary policy in the future that causes real interest rates to rise substantially, it may cause land prices to decline if the rise in interest rates is not accompanied by rises in the general levels of inflation.

A substantial tightening of monetary policy by the U.S. Federal Reserve or other central banks would increase credit costs (through the resulting increase in interest rates) and decrease credit availability. This could hurt farm operators because higher real interest rates (which is defined as nominal interest rates minus the inflation rate) make it more difficult for farm operators to qualify for loans and increase their borrowing costs. Higher interest rates also tend to decrease U.S. and world economic growth, thus decreasing the demand for agricultural commodities.

All of these consequences could reduce farm income. If increases in real interest rates are not accompanied by higher levels of farm income and rents, this could lead to declines in agricultural land values and a reduction in our profitability, either of which would have a material adverse effect on our business or results of operations, financial condition, and ability to make distributions to our stockholders.

The loss of key management personnel, particularly Paul A. Pittman and Luca Fabbri, could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.

Our future success depends to a significant extent on the continued service and coordination of our senior management team, which is comprised of Paul A. Pittman, our Executive Chairman and Chief Executive Officer and Luca Fabbri, our Chief Financial Officer. We can provide no assurances that any of our key personnel will continue their employment with us. The loss of services of Messrs. Pittman and Fabbri could have a material adverse effect on our ability to implement our business strategy and to achieve our investment objectives.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between us and our co-venturers.

In the future, we may co-invest with third parties through partnerships, joint ventures or other entities, acquiring noncontrolling interests in or sharing responsibility for developing properties and managing the affairs of a property, partnership, joint venture or other entity. With respect to any such arrangement or any similar arrangement that we may enter into in the future, we may not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present where a third party is not involved, including the possibility that partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers may have economic or other business interests or goals which are inconsistent with our business interests or goals and may be in a position to take actions contrary to our policies or objectives, and they may have competing interests in our markets that could create conflicts of interest. Such investments may also have the potential risk of impasses on decisions, such as a sale or financing, because neither we nor the partner(s) or co-venturer(s) would have full control over the partnership or joint venture. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal, in favor of our joint venture partners, which would in each case restrict our ability

to dispose of our interest in the joint venture. Where we are a limited partner or non-managing member in any partnership or limited liability company, if such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. Disputes between us and partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business. Consequently, actions by or disputes with partners or co-venturers might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers. Our joint ventures may be subject to debt and, during periods of volatile credit markets, the refinancing of such debt may require equity capital calls.

We will continue to incur costs as a result of becoming a public company, and such costs may increase if and when we cease to be an "emerging growth company."

As a public company, we expect to continue to incur significant legal, accounting, insurance and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect compliance with these public reporting requirements and associated rules and regulations to increase expenses, particularly after we are no longer an emerging growth company, although we are currently unable to estimate these costs with any degree of certainty. We could be an emerging growth company until the end of 2019, after which, we will incur additional costs applicable to public companies that are not emerging growth companies.

If we fail to maintain effective internal control over financial reporting, we may not be able to accurately report our financial results, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. After we are no longer an emerging growth company under the JOBS Act, beginning with our year ending December 31, 2020, Section 404 of the Sarbanes-Oxley Act requires our auditors to deliver an attestation report on the effectiveness of our internal control over financial reporting in conjunction with their opinion on our audited financial statements. Substantial work on our part is required to implement appropriate processes, document the system of internal control over key processes, assess their design, remediate any deficiencies identified and test their operation. This process is expected to be both costly and challenging. We cannot give any assurances that material weaknesses will not be identified in the future in connection with our compliance with the provisions of Section 404 of the Sarbanes-Oxley Act. The existence of any material weakness would preclude a conclusion by management and our independent auditors that we maintained effective internal control over financial reporting. Our management may be required to devote significant time and expense to remediate any material weaknesses that may be discovered and may not be able to remediate any material weakness in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause investors to lose confidence in our reported financial information, all of which could lead to a decline in the per-share trading price of our common stock

Under the FPI Loan Program, we provide loans to third-party farmers, which exposes us to risks associated with being a lender, including the risk that borrowers default on their obligations to us, which could adversely affect our results of operations and financial condition.

Under the FPI Loan Program, we make loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related purposes. As of the date of this Annual Report on Form 10-K, we have made seven senior secured first-lien mortgage loans secured against farmland or farm related properties and one loan secured against crop to farmers totaling $19.1 million, with $11.9 million outstanding at December 31, 2018 (representing 0.01% of our total assets as of December 31, 2018), and we intend to make similar loans under the FPI Loan Program in the future. Payments on such loans depend on the profitable operation or management of the farmland or farmland-related property securing the loan or the maintenance of any equipment securing the loan. The success of the farmland or farm-related property may be affected by many factors outside the control of the borrower, including adverse weather conditions that prevent the planting of a crop or limit crop yields, declines in market prices for agricultural products (both domestically and internationally) and the impact of government regulations (including changes in price supports, subsidies and

environmental regulations). In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the farm. If the cash flow from a farming operation is diminished, the borrower's ability to repay the loan may be impaired. If a borrower defaults under a loan for which we are the lender, we may attempt to foreclose on the collateral securing the loan, including by acquiring title to the subject property, crops, or equipment, to protect our investment. In response, the defaulting borrower may contest our enforcement of foreclosure or other available remedies, seek bankruptcy protection against our exercise of enforcement or other available remedies, or bring claims against us for lender liability. If a defaulting borrower seeks bankruptcy protection, the automatic stay provisions of the U.S. Bankruptcy Code would preclude us from enforcing foreclosure or other available remedies against the borrower unless relief is first obtained from the court with jurisdiction over the bankruptcy case. In addition, we may be subject to intercreditor agreements that delay, impact, govern or limit our ability to foreclose on a lien securing a loan or otherwise delay or limit our pursuit of our rights and remedies. Any such delay or limit on our ability to pursue our rights or remedies could adversely affect our business, results of operations and ability to make distributions to our stockholders. In the event of a foreclosure, we may assume direct ownership of the underlying farm. Even if we successfully foreclose on the collateral securing our mortgage loans, foreclosure-related costs, high loan-to-value ratios or declines in property values could prevent us from realizing the full amount of our mortgage loans, and we could be required to record a valuation allowance for such losses.

Liability for uninsured or underinsured losses could materially and adversely affect our financial condition and cash flow.

Our properties may be damaged by adverse weather conditions and natural disasters, such as earthquakes, floods and tornados. Our insurance may not be adequate to cover all damages or losses from these events, or we may view it as not economically prudent to purchase insurance for certain types of losses. Should an uninsured loss occur, we could lose our capital investment or anticipated profits and cash flows from one or more properties. If any such loss is insured, we may be required to pay a significant deductible on any claim for recovery of such a loss prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss, which could have an adverse effect on our cash flow.

A cybersecurity incident and other technology disruptions could result in a violation of law or negatively impact our reputation and relationships with our tenants, any of which could have a material adverse effect on our results of operations and our financial condition.

Information and security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. We use computers in substantially all aspects of our business operations, and we also use mobile devices and other online activities to connect with our employees and tenants. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including tenants', suppliers' and employees' personally identifiable information and financial and strategic information about us.

If we fail to assess and identify cybersecurity risks associated with our operations, we may become increasingly vulnerable to such risks. Even the most well protected information, networks, systems and facilities remain potentially vulnerable because the techniques used in such attempted security breaches evolve and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we and our suppliers may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is impossible for us and our suppliers to entirely mitigate this risk. Further, in the future we may be required to expend additional resources to continue to enhance information security measures and/or to investigate and remediate any information security vulnerabilities. We can provide no assurances that the measures we have implemented to prevent security breaches and cyber incidents will be effective in the event of a cyber-attack.

The theft, destruction, loss, misappropriation or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third-parties on which we rely, could result in business disruption, negative publicity, violation of privacy laws, loss of tenants, potential liability

and competitive disadvantage, any of which could result in a material adverse effect on financial condition or results of operations.

Potential liability for environmental matters could materially and adversely affect our results of operations and financial condition.

We are subject to the risk of liabilities under federal, state and local environmental laws applicable to agricultural properties, including those related to wetlands, groundwater and water runoff. Some of these laws could subject us to:

- responsibility and liability for the cost of removal or remediation of hazardous substances released on our properties, generally without regard to our knowledge of or responsibility for the presence of the contaminants;
- liability for the costs of investigation, removal or remediation of hazardous substances or chemical releases at disposal facilities for persons who arrange for the disposal or treatment of these substances; and
- potential liability for claims by third parties for damages resulting from environmental contaminants.

Environmental site assessments were not conducted on all the farms in our portfolio and we do not expect to conduct environment site assessments on all farms we acquire in the future. Our costs of investigation, remediation or removal of hazardous substances may be substantial. In addition, the presence of hazardous substances on one of our properties, or the failure to properly remediate a contaminated property, could adversely affect our ability to sell or lease the property or to borrow using the property as collateral. We may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. Additionally, we could become subject to new, stricter environmental regulations, which could diminish the utility of our properties and have a material adverse impact on our results of operations and financial condition.

We may be required to permit the owners of certain third-party access rights on our properties to enter and occupy parts of the properties, including owners of mineral rights and power generation and transportation infrastructure, which could materially and adversely impact the rental value of our properties.

Although we own the surface rights to our farms and expect to own the surface rights to properties that we acquire, other persons or entities may own third-party access rights on our properties based upon their ownership of certain minerals, power generation and transportation infrastructure or similar property rights. Some of these third-party access rights, such as those related to oil, water or natural gas may be located under the surfaces of these properties, while others, particularly those third-party access rights related to power generation and transportation infrastructure such as wind turbines or oil pipelines, may be located on or above the surfaces of these properties. For example, in connection with our acquisition of the Hudye Farm, we granted the seller 50% of the mineral rights related to the farm. Currently there is no mineral development or significant power generation and transportation infrastructure on the farms in our portfolio other than on properties for which we own the rights, but we can provide no assurances that third parties will not assert claims for mineral rights, third-party access rights related to power generation and transportation infrastructure and other related property rights on the farms in our portfolio or that farmland that we acquire in the future will not be subject to these third-party access rights. To the extent that third parties have third-party rights on farmland that we currently own or acquire in the future, we expect that we would be required to permit third parties to enter our properties for the purpose of such activities as drilling and operating oil or gas wells, operating and maintaining oil pipelines and operating and maintaining wind turbines on the premises. We may also be required to set aside a reasonable portion of the surface area of our properties to accommodate these operations. The devotion of a portion of our properties to these operations would reduce the amount of the surface available for farming or farm-related uses. Such activities might also disrupt the productivity of the farmland or property related to farming or increase the risk of environmental liabilities, any of which could adversely impact the rents that we receive from leasing these properties.

Increases in mortgage rates or unavailability of mortgage debt may make it difficult for us to finance or refinance our debt, which could have a material adverse effect on our financial condition, results of operations, growth prospects and our ability to make distributions to stockholders.

If mortgage debt is unavailable to us at reasonable rates or at all, we may not be able to finance the purchase of additional properties or refinance existing debt when it becomes due. If interest rates are higher when we refinance our debt, our income and cash flow could be reduced, which would reduce cash available for distribution to our stockholders and may hinder our ability to raise more capital by issuing more stock or by borrowing more money.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

As of December 31, 2018 and March 8, 2019, we had approximately $525.3 million and $525.3 million, respectively, of outstanding mortgage indebtedness excluding debt issuance costs. We intend to finance future property acquisitions, in part, with mortgage indebtedness. Mortgage and other secured debt obligations increase our risk of property losses because defaults on indebtedness secured by properties may result in foreclosure actions initiated by lenders and ultimately our loss of the property securing any loans for which we are in default. Any foreclosure on a mortgaged property or group of properties could adversely affect the overall value of our portfolio of properties. For tax purposes, a foreclosure on any of our properties that is subject to a nonrecourse mortgage loan would be treated as a sale of the property for a purchase price equal to the outstanding balance of the debt secured by the mortgage. If the outstanding balance of the debt secured by the mortgage exceeds our tax basis in the property, we would recognize taxable income on foreclosure, but would not receive any cash proceeds, which could hinder our ability to meet the REIT distribution requirements imposed by the Code.

Our debt financing agreements restrict our ability to engage in certain business activities, including our ability to incur additional indebtedness, make capital expenditures and make certain investments.

Our existing debt financing agreements contain, and other debt financing agreements we may enter into in the future may contain, customary negative covenants and other financial and operating covenants that, among other things:

- restrict our ability to incur additional indebtedness;
- restrict our ability to incur additional liens;
- restrict our ability to make certain investments (including certain capital expenditures);
- restrict our ability to merge with another company;
- restrict our ability to sell or dispose of assets;
- restrict our ability to make distributions to stockholders; and
- require us to satisfy minimum financial coverage ratios, minimum tangible net worth requirements and maximum leverage ratios.

Changes to the base rate on our floating rate indebtedness could increase our borrowing costs.

A substantial portion of our outstanding indebtedness bears interest at floating rates based on the London interbank offered rate (“LIBOR”). In July 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it will stop compelling banks to submit rates for the calculation of LIBOR after 2021. It is not possible to predict the effect of these changes, other reforms or the establishment of alternative reference rates. The discontinuation or modification of LIBOR could result in interest rate increases on our debt, which could adversely affect our cash flow, operating results and ability to make distributions to our stockholders at expected levels or at all.

Risks Related to Our Organizational Structure

We may be subject to unknown or contingent liabilities related to acquired properties and properties that we may acquire in the future, which could have a material adverse effect on us.

Properties that we have acquired, including the properties we acquired in our acquisition of American Farmland Company (the “AFCO Mergers”), and properties that we may acquire in the future, may be subject to unknown or contingent liabilities for which we may have no recourse, or only limited recourse, against the sellers. In general, the

representations and warranties provided under the transaction agreements related to the purchase of properties that we acquire may not survive the completion of the transactions. Furthermore, indemnification under such agreements may be limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that we will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that may be incurred with respect to liabilities associated with these properties may exceed our expectations, and we may experience other unanticipated adverse effects, all of which may materially and adversely affect us.

Conflicts of interest may exist or could arise in the future between the interests of our stockholders and the interests of holders of units in our operating partnership, which may impede business decisions that could benefit our stockholders.

Although holders of our Common units do not have voting rights or the power to direct the Company's affairs, there could be potential conflicts, conflicts of interest may exist or could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership or any partner thereof.

Our directors and officers have duties to our company under Maryland law in connection with their management of our company. At the same time, our wholly owned subsidiary, Farmland Partners OP GP, LLC, as the general partner of our operating partnership, has fiduciary duties and obligations to our operating partnership and its limited partners under Delaware law and the partnership agreement in connection with the management of our operating partnership. The general partner's fiduciary duties and obligations as the general partner of our operating partnership may come into conflict with the duties of our directors and officers to our company. These conflicts of interest could lead to decisions that are not in the best interests of the Company and its stockholders.

Unless otherwise provided for in a partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of good faith, fairness and loyalty and which generally prohibit such general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. The partnership agreement provides that, in the event of a conflict between the interests of the limited partners of our operating partnership, on the one hand, and the separate interests of our stockholders, on the other hand, the general partner, in its capacity as the general partner of our operating partnership, shall act in the interests of our stockholders and is under no obligation to consider the separate interests of the limited partners of our operating partnership in deciding whether to cause our operating partnership to take or not to take any actions. The partnership agreement further provides that any decisions or actions not taken by the general partner in accordance with the partnership agreement will not violate any duties, including the duty of loyalty, that the general partner, in its capacity as the general partner of our operating partnership, owes to our operating partnership and its partners.

Additionally, the partnership agreement provides that the general partner will not be liable to our operating partnership or any partner for monetary damages for losses sustained, liabilities incurred or benefits not derived by our operating partnership or any limited partner unless the general partner acted in bad faith and the act or omission was material to the matter giving rise to the loss, liability or benefit not derived. Our operating partnership must indemnify the general partner, us, our directors and officers, officers of our operating partnership and others designated by the general partner from and against any and all claims that relate to the operations of our operating partnership, unless (1) an act or omission of the indemnified person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) the indemnified person actually received an improper personal benefit in money, property or services or (3) in the case of a criminal proceeding, the indemnified person had reasonable cause to believe that the act or omission was unlawful. Our operating partnership must also pay or reimburse the reasonable expenses of any such person upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership will not indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action. No reported decision of a Delaware appellate court has interpreted provisions similar to the provisions of the partnership agreement that modify and reduce our fiduciary duties or obligations as the sole member of the general partner or reduce or eliminate our liability for money damages to our operating partnership and its partners, and we have

not obtained an opinion of counsel as to the enforceability of the provisions set forth in the partnership agreement that purport to modify or reduce the fiduciary duties that would be in effect were it not for the partnership agreement.

Our charter contains certain provisions restricting the ownership and transfer of our stock that may delay, defer or prevent a change of control transaction that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Our charter contains certain ownership limits with respect to our stock. Our charter, among other restrictions, prohibits the beneficial or constructive ownership by any person of more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock, excluding any shares that are not treated as outstanding for U.S. federal income tax purposes. Our Board of Directors, in its sole and absolute discretion, may exempt a person, prospectively or retroactively, from this ownership limit if certain conditions are satisfied. This ownership limit as well as other restrictions on ownership and transfer of our stock in our charter may:

- discourage a tender offer or other transactions or a change in management or of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests; and
- result in the transfer of shares acquired in excess of the restrictions to a trust for the benefit of a charitable beneficiary and, as a result, the forfeiture by the acquirer of certain of the benefits of owning the additional shares.

We could increase the number of authorized shares of stock, classify and reclassify unissued stock and issue stock without stockholder approval, which may delay, defer or prevent a transaction that our stockholders believe to be in their best interests.

Our Board of Directors, without stockholder approval, has the power under our charter to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we are authorized to issue. In addition, under our charter, our Board of Directors, without stockholder approval, has the power to authorize us to issue authorized but unissued shares of our common stock or preferred stock and to classify or reclassify any unissued shares of our common stock or preferred stock into one or more classes or series of stock and set the preference, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications or terms or conditions of redemption for such newly classified or reclassified shares. As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers and rights, voting or otherwise, that are senior to, or otherwise conflict with, the rights of holders of our common stock. Although our Board of Directors has no such intention at the present time, it could establish a class or series of preferred stock that could, depending on the terms of such series, delay, defer or prevent a transaction or a change of control that might involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of Maryland law could inhibit changes in control, which may discourage third parties from conducting a tender offer or seeking other change of control transactions that could involve a premium price for our common stock or that our stockholders otherwise believe to be in their best interests.

Certain provisions of the Maryland General Corporation Law, or the MGCL, may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change of control under certain circumstances that otherwise could provide the holders of shares of our common stock with the opportunity to realize a premium over the then-prevailing market price of such shares, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock or any affiliate or associate of ours who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder and thereafter impose fair price and/or supermajority voting requirements on these combinations; and
- "control share" provisions that provide that "control shares" of our company (defined as shares which, when aggregated with other shares controlled by the stockholder, except solely by virtue of a revocable proxy, entitle

the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights with respect to their control shares except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

By resolution of our Board of Directors, we have opted out of the business combination provisions of the MGCL and provided that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our Board of Directors (including a majority of directors who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our Board of Directors may by resolution elect to opt in to the business combination provisions of the MGCL and we may, by amendment to our bylaws, opt in to the control share provisions of the MGCL in the future.

Additionally, certain provisions of the MGCL permit our Board of Directors, without stockholder approval and regardless of what is currently provided in our charter or our bylaws, to implement takeover defenses, some of which (for example, a classified board) we do not currently employ. These provisions may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring, or preventing a change in control of our company under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-current market price. Our charter contains a provision whereby we elect to be subject to the provisions of Title 3, Subtitle 8 of the MGCL relating to the filling of vacancies on our Board of Directors.

Our charter, our bylaws and Maryland law also contain other provisions, including the provisions of our charter on removal of directors and the advance notice provisions of our bylaws, that may delay, defer, or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Certain provisions in the partnership agreement may delay or prevent unsolicited acquisitions of us.

Provisions in the partnership agreement may delay, or make more difficult, unsolicited acquisitions of us or changes of our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some of our stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption rights;
- a requirement that the general partner may not be removed as the general partner of our operating partnership without our consent;
- transfer restrictions on Common units;
- our ability, as general partner, in some cases, to amend the partnership agreement and to cause our operating partnership to issue units with terms that could delay, defer or prevent a merger or other change of control of us or our operating partnership without the consent of the limited partners; and
- the right of the limited partners to consent to direct or indirect transfers of the general partnership interest, including as a result of a merger or a sale of all or substantially all of our assets, in the event that such transfer requires approval by our common stockholders.

Our Board of Directors may change our strategies, policies and procedures without stockholder approval.

Our investment, financing, leverage and distribution policies, and our policies with respect to all other activities, including growth, capitalization and operations, are determined exclusively by our Board of Directors, and may be amended or revised at any time by our Board of Directors without notice to or a vote of our stockholders. This could result in us conducting operational matters, making investments or pursuing different business or growth strategies than those contemplated in this Annual Report on Form 10-K. Further, our charter and bylaws do not limit the amount or percentage of indebtedness, funded or otherwise, that we may incur. Our Board of Directors may alter or eliminate our current policy on borrowing at any time without stockholder approval. If this policy changed, we could become more highly leveraged

which could result in an increase in our debt service. Higher leverage also increases the risk of default on our obligations. In addition, a change in our investment policies, including the manner in which we allocate our resources across our portfolio or the types of assets in which we seek to invest, may increase our exposure to interest rate risk, real estate market fluctuations and liquidity risk. Changes to our policies with regards to the foregoing could materially adversely affect our financial condition, results of operations and cash flow.

Our rights and the rights of our stockholders to take action against our directors and officers are limited, which could limit your recourse in the event that we take certain actions which are not in our stockholders' best interests.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner that he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. Under the MGCL, directors are presumed to have acted with this standard of care. As permitted by Maryland law, our charter eliminates the liability of our directors and officers to us and our stockholders for money damages, except for liability resulting from:

- actual receipt of an improper benefit or profit in money, property or services; or
- active and deliberate dishonesty by the director or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our charter and bylaws obligate us to indemnify each present and former director or officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our directors and officers. We also have entered into indemnification agreements with our officers and directors granting them express indemnification rights. As a result, we and our stockholders may have more limited rights against our directors and officers than might otherwise exist absent the current provisions in our charter, bylaws and indemnification agreements or that might exist for other public companies.

Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our management.

Our charter contains provisions that make removal of our directors difficult, which could make it difficult for our stockholders to effect changes to our senior management and may prevent a change in control of our company that is in the best interests of our stockholders. Our charter provides that a director may only be removed for cause upon the affirmative vote of holders of two-thirds of all the votes entitled to be cast generally in the election of directors. Vacancies may be filled only by a majority of the remaining directors in office, even if less than a quorum. These requirements make it more difficult to change our senior management by removing and replacing directors and may prevent a change in control of our company that is in the best interests of our stockholders.

Our operating partnership may issue additional Common units or one or more classes of preferred units to third parties without the consent of our stockholders, which would reduce our ownership percentage in our operating partnership and could have a dilutive effect on the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders.

As of the date of this Annual Report on Form 10-K, we owned approximately 93.2% of the outstanding Common units in our operating partnership (on a fully diluted basis). Since our initial public offering, we have issued a total of 8.0 million Common units and a total of 117,000 Series A preferred units as consideration in connection with our acquisition of properties, and we may issue additional Common units and Series A preferred units of one or more classes in connection with our acquisition of properties, as compensation or otherwise. Such issuances would reduce our ownership percentage in our operating partnership and could affect the amount of distributions made to us by our operating partnership and, therefore, the amount of distributions we can make to our stockholders. Our common stockholders do not have any voting rights with respect to any such issuances or other partnership level activities of our operating partnership.

Certain aspects of our Series A preferred units and Series B Participating Preferred Stock may limit our ability to make distributions to our common stockholders.

The distribution rates on our Series A preferred units and Series B Participating Preferred Stock are fixed, and no distributions can be paid to our common stockholders unless we have paid all cumulative dividends on our Series A preferred units and Series B Participating Preferred Stock. The distribution preference of our Series A preferred units and Series B Participating Preferred Stock could materially and adversely affect our cash flow and ability to make distributions to our common stockholders.

In addition to the fixed payments on our Series A preferred units and Series B Participating Preferred Stock, holders of our Series B Participating Preferred Stock may receive a Farmland Value Appreciation ("FVA") payment that represents the cumulative change from the 2018 estimated average value per acre of farmland in the 17 states in which we owned farmland as of June 30, 2018 weighted by the percentage of the total unaudited book value of our properties held in each of the 17 states as of June 30, 2018. The FVA payment may be realized by a holder of Series B Participating Preferred Stock only upon (i) the exercise of our optional redemption right or conversion right after September 30, 2021, (ii) any conversion or redemption in connection with a change in control or (iii) the liquidation, dissolution or winding up of the Company. Any of these events could occur during a time in which the FVA amount has substantially appreciated from its 2018 level, which may require a significant distribution from the Company to holders of Series B Participating Preferred Stock, and could materially and adversely affect our cash available to make distributions to our common stockholders. Further, in addition to the FVA amount if a redemption or liquidation occurs on or before September 30, 2021, we will be required to pay a premium amount that is calculated based on the FVA amount, which could further reduce our cash available to make distributions to our common stockholders.

U.S. Federal Income Tax Risks

Failure to maintain qualification as a REIT for U.S. federal income tax purposes would subject us to U.S. federal income tax on our taxable income at regular corporate rates, which would substantially reduce our ability to make distributions to our stockholders.

We elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our short taxable year ended December 31, 2014. To maintain qualification as a REIT, we must meet various requirements set forth in the Code concerning, among other things, the ownership of our outstanding stock, the nature of our assets, the sources of our income and the amount of our distributions. The REIT qualification requirements are extremely complex, and interpretations of the U.S. federal income tax laws governing qualification as a REIT are limited. We believe that our current organization and method of operation will enable us to continue to qualify, as a REIT. However, at any time, new laws, interpretations or court decisions may change the U.S. federal tax laws relating to, or the U.S. federal income tax consequences of, qualification as a REIT. It is possible that future economic, market, legal, tax or other considerations may cause our Board of Directors to determine that it is not in our best interest to qualify as a REIT and to revoke our REIT election, which it may do without stockholder approval.

If we fail to qualify as a REIT for any taxable year, we will be subject to U.S. federal income tax on our taxable income at regular corporate rates. In addition, we generally would be disqualified from treatment as a REIT for the four taxable years following the year in which we lost our REIT status. Losing our REIT status would reduce our net earnings available for investment or distribution because of the additional tax liability. In addition, distributions would no longer qualify for the dividends paid deduction, and we would no longer be required to make distributions. If this occurs, we might be required to borrow funds or liquidate some investments in order to pay the applicable tax.

As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and would substantially reduce our ability to make distributions to our stockholders.

To qualify as a REIT and to avoid the payment of U.S. federal income and excise taxes, we may be forced to borrow funds, use proceeds from the issuance of securities, pay taxable dividends of our stock or debt securities or sell assets to make distributions, which may result in our distributing amounts that may otherwise be used for our operations.

To obtain the favorable tax treatment accorded to REITs, we normally are required each year to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. We will be subject to U.S. federal income tax on our undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of (1) 85% of our ordinary income, (2) 95% of our capital gain net income and (3) 100% of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on acquisitions of properties and it is possible that we might be required to borrow funds, use proceeds from the issuance of securities, pay taxable dividends of our stock or debt securities or sell assets in order to distribute enough of our taxable income to maintain our qualification as a REIT and to avoid the payment of U.S. federal income and excise taxes.

Future sales of properties may result in penalty taxes or may be made through TRSs, each of which would diminish the return to you.

It is possible that one or more sales of our properties may be "prohibited transactions" under provisions of the Code. If we are deemed to have engaged in a "prohibited transaction" (*i.e.* , we sell a property held by us primarily for sale in the ordinary course of our trade or business), all income that we derive from such sale would be subject to a 100% tax. The Code sets forth a safe harbor for REITs that wish to sell property without risking the imposition of the 100% tax. A principal requirement of the safe harbor is that the REIT must hold the applicable property for not less than two years prior to its sale for the production of rental income. It is entirely possible that a future sale of one or more of our properties will not fall within the prohibited transaction safe harbor.

If we acquire a property that we anticipate will not fall within the safe harbor from the 100% penalty tax upon disposition, we may acquire such property through a TRS in order to avoid the possibility that the sale of such property will be a prohibited transaction and subject to the 100% penalty tax. If we already own such a property directly or indirectly through an entity other than a TRS, we may contribute the property to a TRS. Though a sale of such property by a TRS likely would mitigate the risk of incurring a 100% penalty tax, the TRS itself would be subject to regular corporate income tax at the U.S. federal level, and potentially at the state and local levels, on the gain recognized on the sale of the property as well as any income earned while the property is operated by the TRS. Such tax would diminish the amount of proceeds from the sale of such property ultimately distributable to our stockholders. Our ability to use TRSs in the foregoing manner is subject to limitation. Among other things, the value of our securities in TRSs may not exceed 20% of the value of our assets and dividends from our TRSs, when aggregated with all other non-real estate income with respect to any one year, generally may not exceed 25% of our gross income with respect to such year. No assurances can be provided that we would be able to successfully avoid the 100% penalty tax through the use of TRSs.

In addition, if we acquire any asset from a C corporation (*i.e.* , a corporation generally subject to full corporate-level tax) in a merger or other transaction in which we acquire a basis in the asset determined by reference either to the C corporation's basis in the asset or to another asset, we will pay tax, at the highest U.S. federal corporate income tax rate, on any built-in gain recognized on a taxable disposition of the asset during the 5-year period after its acquisition. As a result of the manner in which we acquired the Hudye Farm, a subsequent taxable disposition by us of any such assets generally would be subject to the foregoing built-in gain rules.

In certain circumstances, we may be subject to U.S. federal and state income taxes as a REIT, which would reduce our cash available for distribution to our stockholders.

Even if we qualify as a REIT, we may be subject to U.S. federal income taxes or state taxes. As discussed above, net income from a "prohibited transaction" will be subject to a 100% penalty tax and built-in gain recognized on the taxable disposition of assets acquired from C corporations in certain non-taxable transactions will be subject to tax at the highest applicable U.S. federal corporate income tax rate. To the extent we satisfy the distribution requirements applicable to REITs, but distribute less than 100% or our taxable income, we will be subject to U.S. federal income tax at regular

corporate rates on our undistributed income. We may not be able to make sufficient distributions to avoid excise taxes applicable to REITs. We may also decide to retain capital gains we earn from the sale or other disposition of our properties and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, our stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability. We may also be subject to state and local taxes on our income or property, either directly or at the level of the companies through which we indirectly own our assets. Any U.S. federal or state taxes we pay will reduce our cash available for distribution to our stockholders.

The ability of our Board of Directors to revoke or otherwise terminate our REIT qualification without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides that our Board of Directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our taxable income at regular corporate rates and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on our total return to our stockholders.

If our operating partnership were classified as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes, we would fail to qualify as a REIT and would suffer other adverse tax consequences.

We intend for our operating partnership to be treated as a "partnership" for U.S. federal income tax purposes. If the IRS were to successfully assert our operating partnership was “publicly traded,” our operating partnership could be taxable as a corporation if less than 90% of its gross income consisted of certain qualifying passive income. In such event, we likely would fail to qualify as a REIT for U.S. federal income tax purposes, and the resulting corporate income tax burden would reduce the amount of distributions that our operating partnership could make to us. This would substantially reduce the cash available to pay distributions to our stockholders.

Complying with the REIT requirements may cause us to forego otherwise attractive opportunities or sell properties earlier than we wish.

To maintain our qualification as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of shares of our stock. We may be required to make distributions to our stockholders at disadvantageous times or when we do not have funds readily available for distribution, or we may be required to forego or liquidate otherwise attractive investments in order to comply with the REIT tests. Thus, compliance with the REIT requirements may hinder our ability to operate solely on the basis of maximizing profits.

You may be restricted from acquiring or transferring certain amounts of our common stock or our Series B Participating Preferred Stock .

Certain provisions of the Code and the stock ownership limits in our charter may inhibit market activity in our capital stock and restrict our business combination opportunities. In order to maintain our qualification as a REIT, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding stock at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our capital stock under this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of a taxable year. To help insure that we meet these tests, our charter restricts the acquisition and ownership of shares of our stock.

Our charter, with certain exceptions, authorizes our Board of Directors to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our Board of Directors, our charter prohibits any person from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. Our Board of Directors may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of such ownership limit would result in our failing to qualify as a REIT.

Dividends paid by REITs generally do not qualify for the favorable tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to qualified dividend income paid to U.S. stockholders that are individuals, trusts and estates currently is 20%. Dividends paid by REITs generally are not eligible for such reduced tax rate. Instead, our ordinary dividends generally are taxed at the higher tax rates applicable to ordinary income, the current maximum rate of which is 37%. Although the favorable tax rates applicable to qualified dividend income do not adversely affect the taxation of REITs or dividends paid by REITs, such favorable tax rates could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock and Series B Participating Preferred Stock. However, for taxable years prior to 2026, individual stockholders are generally allowed to deduct 20% of the aggregate amount of ordinary dividends distributed by us, subject to certain limitations, which would reduce the maximum marginal effective federal income tax rate for individuals on the receipt of such ordinary dividends to 29.6%.

Recent changes to the U.S. federal income tax laws, including the enactment of certain tax reform measures, could have an adverse impact on the economy, our tenants and our business and financial results.

On December 22, 2017, President Trump signed the legislation (the "Tax Reform Legislation") commonly known as the Tax Cuts and Jobs Act into law, which, among other changes:

- Reduces the corporate income tax rate from 35% to 21% (including with respect to our taxable REIT subsidiaries);
- Reduces the rate of U.S. federal withholding tax on distributions made to non-U.S. shareholders by a REIT that are attributable to gains from the sale or exchange of U.S. real property interests from 35% to 21%;
- Allows an immediate 100% deduction of the cost of certain capital asset investments (generally excluding real estate assets), subject to a phase-down of the deduction percentage over time;
- Changes the recovery periods for certain real property and building improvements (for example, to 15 years for qualified improvement property under the modified accelerated cost recovery system, and to 30 years (previously 40 years) for residential real property and 20 years (previously 40 years) for qualified improvement property under the alternative depreciation system);
- Restricts the deductibility of interest expense by businesses (generally, to 30% of the business' adjusted taxable income) except, among others, real property businesses electing out of such restriction; generally, we expect our business to qualify as such a real property business, but businesses conducted by our taxable REIT subsidiaries may not qualify and we have not yet determined whether we will make such election;
- Requires the use of the less favorable alternative depreciation system to depreciate real property in the event a real property business elects to avoid the interest deduction restriction above;
- Restricts the benefits of like-kind exchanges that defer capital gains for tax purposes to exchanges of real property;
- Requires accrual method taxpayers to take certain amounts in income no later than the taxable year in which such income is taken into account as revenue in an applicable financial statement prepared under GAAP, which, with respect to certain leases, could accelerate the inclusion of rental income;
- Eliminates the corporate alternative minimum tax;
- Reduces the highest marginal income tax rate for individuals to 37% from 39.6% (excluding, in each case, the 3.8% Medicare tax on net investment income);
- Generally allows a deduction for individuals equal to 20% of certain income from pass-through entities, including ordinary dividends distributed by a REIT (excluding capital gain dividends and qualified dividend income), generally resulting in a maximum effective federal income tax rate applicable to such dividends of 29.6% compared to 37% (excluding, in each case, the 3.8% Medicare tax on net investment income); and
- Limits certain deductions for individuals, including deductions for state and local income taxes, and eliminates deductions for miscellaneous itemized deductions (including certain investment expenses).

Many of the provisions in the Tax Reform Legislation expire in seven years (at the end of 2025). As a result of the changes to U.S. federal tax laws implemented by the Tax Reform Legislation, our taxable income and the amount of distributions to our stockholders required in order to maintain our REIT status, and our relative tax advantage as a REIT, may significantly change.

The Tax Reform Legislation is a far-reaching and complex revision to the U.S. federal income tax laws with disparate and, in some cases, countervailing impacts on different categories of taxpayers and industries, and will require subsequent rulemaking and interpretation in a number of areas. The long-term impact of the Tax Reform Legislation on the economy, us, our investors, our tenants, the real estate industry and government revenues cannot be reliably predicted at this early stage of the new law's implementation. Furthermore, the Tax Reform Legislation may negatively impact certain of our tenants' operating results, financial condition, and future business plans. The Tax Reform Legislation may also result in reduced government revenues, and therefore reduced government spending, which may negatively impact tenants that directly or indirectly rely on government funding. There can be no assurance that the Tax Reform Legislation will not negatively impact our operating results, financial condition, and future business operations. Additionally, the Tax Reform Legislation may be adverse to certain of our stockholders and other investors. Prospective investors are urged to consult their tax advisors regarding the effect of the changes to the U.S. federal tax laws on an investment in our shares and other securities.

Further changes to the U.S. federal income tax laws could have an adverse impact on our business and financial results.

Numerous changes to the U.S. federal income tax laws are proposed regularly. The REIT rules are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, which may result in revisions to regulations and interpretations in addition to statutory changes. If enacted, certain such changes could have an adverse impact on our business and financial results.

We cannot predict whether, when or to what extent new U.S. federal tax laws, regulations, interpretations or rulings will be issued. Prospective investors are urged to consult their tax advisors regarding the effect of potential changes to the U.S. federal tax laws on an investment in our shares.

Legislative or regulatory action with respect to taxes could adversely affect the returns to our stockholders.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of the U.S. federal income tax laws applicable to investments similar to an investment in our capital stock. Additional changes to the tax laws are likely to continue to occur, and we cannot assure you that any such changes will not adversely affect the taxation of a stockholder. Any such changes could have an adverse effect on an investment in our stock or on the market value or the resale potential of our assets. You are urged to consult with your own tax advisor with respect to the impact of recent legislation on your investment in our stock and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in shares of our common stock.

Risks Related to the Market for Our Capital Stock

We may be unable to make distributions at expected levels, which could result in a decrease in the market price of our common stock.

We intend to continue to pay regular quarterly distributions to our stockholders. However, we significantly reduced the amount of distributions on our common stock beginning in the third quarter of 2018, and we may be required to reduce our distributions further in the future. All distributions will be made at the discretion of our Board of Directors and will be based upon, among other factors, our historical and projected results of operations, financial condition, cash flows and liquidity, maintenance of our REIT qualification and other tax considerations, capital expenditure and other expense obligations, debt covenants, contractual prohibitions or other limitations and applicable law and such other matters as our Board of Directors may deem relevant from time to time. If sufficient cash is not available for distribution from our operations, we may have to fund distributions from working capital, borrow to provide funds for such distributions, or reduce the amount of such distributions. To the extent we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been. If cash available for distribution generated by our assets is less than our current estimate, or if such cash available for distribution decreases in future periods from expected levels, our inability to make the expected distributions could result in a decrease in the market price of our common stock or Series B Participating Preferred Stock.

We are an "emerging growth company," and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make shares of our common stock or Series B Participating Preferred Stock less attractive to investors.

In April 2012, President Obama signed into law the JOBS Act. The JOBS Act contains provisions that, among other things, relax certain reporting requirements for "emerging growth companies," including certain requirements relating to accounting standards and compensation disclosure. We are classified as an emerging growth company. For as long as we are an emerging growth company, which will be until December 31, 2019, we may take advantage of exemptions from various reporting and other requirements that are applicable to other public companies that are not emerging growth companies, including the requirements to:

- provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;
- comply with any new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies;
- comply with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- comply with any new audit rules adopted by the PCAOB after April 5, 2012, unless the SEC determines otherwise;
- provide certain disclosure regarding executive compensation required of larger public companies; or
- hold stockholder advisory votes on executive compensation.

Although the JOBS Act allows us to take advantage of the exemption from complying with any new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies, we have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards under Section 102(b) of the JOBS Act.

We cannot predict if investors will find shares of our common stock or Series B Participating Preferred Stock less attractive because we will not be subject to the same reporting and other requirements as other public companies. If some investors find shares of our common stock or Series B Participating Preferred Stock less attractive as a result, there may be a less active trading market for our common stock or Series B Participating Preferred Stock, and the per share trading price of our common stock or Series B Participating Preferred Stock could decline and may be more volatile.

The market price and trading volume of our common stock and Series B Participating Preferred Stock may be highly volatile and low, respectively.

The stock markets, including the New York Stock Exchange (the “NYSE”), on which our common stock and our Series B Participating Preferred Stock is listed, historically have experienced significant price and volume fluctuations. As a result, the market price of our common stock and Series B Participating Preferred Stock is likely to be similarly volatile, and investors in our common stock and Series B Participating Preferred Stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common stock and Series B Participating Preferred Stock could be subject to wide fluctuations in response to a number of factors, including those listed in this "Risk Factors" section of this Annual Report on Form 10-K and others such as:

- actual or anticipated variations in our quarterly results of operations or dividends;
- changes in our funds from operations or earnings estimates;
- changes in government regulations or policies affecting our business or the farming business;
- publication of research reports about us or the real estate or farming industries;
- sustained decreases in agricultural commodity and crop prices;
- increases in market interest rates that lead purchasers of our common stock to demand a higher yield;
- increases in market interest rates that decrease demand for our Series B Participating Preferred Stock;
- changes in market valuations of similar companies;

- adverse market reaction to any additional debt we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- the realization of any of the other risk factors presented in this Annual Report on Form 10-K;
- the extent of investor interest in our securities;
- the general reputation of REITs and the attractiveness of our equity securities in comparison to other equity securities, including securities issued by other real estate-based companies;
- our underlying asset value;
- investor confidence in the stock and bond markets generally;
- changes in tax laws;
- future equity issuances;
- failure to meet earnings estimates;
- failure to meet and maintain REIT qualifications and requirements;
- low trading volume of our common stock or Series B Participating Preferred Stock; and
- general market and economic conditions.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in the price of their common stock. This type of litigation could result in substantial costs and divert our management's attention and resources, which could have a material adverse effect on us, including our financial condition, results of operations, cash flow and the per share trading price of our common stock.

Our common stock is subject to trading risks created by the spread of false information and manipulative trading.

Our common stock is widely traded and held by a diverse group of investors, including retail investors, and these investors are subject to the influence of information provided by third party investor websites and independent authors distributing information on the internet. This information is often widely distributed, in some cases anonymously, including through platforms that mainly serve as hosts seeking advertising revenue. These sites and internet distribution strategies create opportunities for individuals to pursue both “pump and dump” and “short and distort” strategies. We believe that many of these websites have little or no requirements for authors to have professional qualifications. While these sites sometimes require disclosure of stock positions by authors, as far as we are aware these sites do not audit the accuracy of such conflict of interest disclosures. In addition, we believe that many of these websites have few or lax editorial standards, and thin or non-existent editorial staffs. Despite our best efforts, we may not be able to obtain corrections to information provided on these websites about our Company, and any corrections that are obtained may not be achieved prior to the majority of audience impressions being formed for a given article. These conditions create volatility and risk for holders of our common stock and should be considered by investors. While we have sought to engage regulators to address activities that we believe are intentionally misleading, we can make no guarantees that regulatory authorities will take action on these types of activities, and we cannot guarantee that any action taken by regulators or legislators will timely address damage done by the activities of these websites and authors.

The number of shares of our common stock available for future issuance or sale may have adverse effects on the market price of our common stock.

As of December 31, 2018, approximately 30.6 million shares of our common stock were outstanding. In addition, as of the date of this Annual Report on Form 10-K, other than the Common units held by us, approximately 4.6 million Common units in our operating partnership were outstanding, 4.6 million of which currently may be tendered for redemption by the holders, for cash, or at our option, for shares of our common stock, on a one-for-one basis. We have registered the issuance of 4.6 million of the shares issuable upon redemption of Common units, and we intend to register the issuance of additional shares that may be issued upon redemption of Common units so that such shares will be freely tradable under the securities laws.

We cannot predict whether future issuances or sales of shares of our common stock or the availability of shares for resale in the open market will decrease the per share trading price per share of our common stock. The per share trading

price of our common stock may decline significantly when we register the shares of our common stock issuable upon redemption of outstanding Common units.

Future offerings of debt, which would be senior to our common stock upon liquidation, our Series B Participating Preferred Stock and other preferred equity securities, which may be senior to our common stock for purposes of dividend distributions or upon liquidation, and Common units in connection with future acquisitions may materially adversely affect us, including the per share trading price of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing our operating partnership to issue debt securities), including medium-term notes, senior or subordinated notes and classes or series of preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock, including our Series B Participating Preferred Stock, and lenders with respect to other borrowings will be entitled to receive payments prior to distributions to the holders of our common stock. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our Series B Participating Preferred Stock has a preference on liquidating distributions and a preference on dividend payments that could limit our ability to pay dividends to the holders of our common stock, as could any future series of preferred stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk that our future offerings could reduce the per share trading price of our common stock and dilute their interest in us. In addition, the issuance of Common units in connection with future acquisitions and the redemption of such Common units for common stock may be dilutive to our stockholders and could have an adverse effect on the per share trading price of our common stock.

Our Series B Participating Preferred Stock is subordinate to our existing and future debt and other liabilities, and could be diluted by the issuance of additional preferred stock and by other transactions.

Our Series B Participating Preferred Stock is subordinate to all of our existing and future debt. Our existing debt restricts, and our future debt may include restrictions on, our ability to pay dividends to preferred stockholders in the event of a default under the debt facilities. Additionally, the issuance of additional shares of preferred stock on parity with or senior to the Series B Participating Preferred Stock would dilute the interests of the holders of the Series B Participating Preferred Stock, and any issuance of shares of preferred stock senior to the Series B Participating Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series B Participating Preferred Stock.

None of the provisions relating to the Series B Participating Preferred Stock relate to or limit our indebtedness or afford the holders of the Series B Participating Preferred Stock protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all of our assets or business, that might adversely affect the holders of the Series B Participating Preferred Stock.

An increase in market interest rates may have an adverse effect on the market price of our common stock or Series B Participating Preferred Stock

One of the factors that investors may consider in deciding whether to buy or sell our common stock or Series B Participating Preferred Stock is our distribution yield, which is our distribution rate as a percentage of the share price of our common stock or Series B Participating Preferred Stock, relative to market interest rates. If market interest rates increase, prospective investors may desire a higher distribution yield on our common stock or Series B Participating Preferred Stock or may seek securities paying higher dividends or interest. The market price of our common stock or Series B Participating Preferred Stock likely will be based primarily on the earnings that we derive from rental income with respect to our properties and our related distributions to stockholders, and not from the underlying appraised value of the properties themselves. As a result, interest rate fluctuations and capital market conditions are likely to affect the market price of our common stock and our Series B Participating Preferred Stock, and such effects could be significant. For instance, if interest rates rise without an increase in our distribution rate, the market price of our common stock or Series

B Participating Preferred Stock could decrease because potential investors may require a higher distribution yield on our common stock or Series B Participating Preferred Stock as market rates on interest-bearing securities, such as bonds, rise.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The information set forth under the caption "Our Properties" in Item 1 of this Annual Report on Form 10-K is incorporated by reference herein.

Item 3. Legal Proceedings

On July 11, 2018, a purported class action lawsuit, captioned *Kachmar v. Farmland Partners, Inc.* (the *Kachmar* Action"), was filed in the United States District Court for the District of Colorado against the Company and certain of our officers by a purported Company stockholder. The complaint alleges, among other things, that our disclosure related to the FPI Loan Program was materially false and misleading in violation of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder. On August 17, 2018, a second purported class action, captioned *Mariconda v. Farmland Partners Inc.* (the " *Mariconda* Action") was filed in the United States District Court for the District of Colorado, alleging substantially identical claims as the *Kachmar* Action. Several purported shareholders moved to consolidate the *Kachmar* Action and the *Mariconda* Action and for appointment as Lead Plaintiff. On November 13, 2018, the plaintiff in the *Kachmar* action voluntarily dismissed the *Kachmar* Action. On December 3, 2018, the court appointed two purported FPI shareholders, the Turner Insurance Agency, Inc. and Cecilia Turner (the "Turners"), as lead plaintiffs in the *Mariconda* Action. The Turners filed a consolidated amended complaint in the *Mariconda* Action on March 11, 2019. The defendants' deadline to respond to the consolidated amended complaint is April 15, 2019. The Company can provide no assurances as to the outcome of this litigation or provide an estimate of related expenses at this time.

On December 18, 2018, a purported FPI shareholder Jack Winter, filed a shareholder derivative complaint in the Circuit Court for Montgomery County Maryland (the " *Winter* Action"), purporting to assert breach of fiduciary duty claims derivatively on the Company's behalf against the Company's directors and certain of the Company's officers. The *Winter* Action alleges, among other things, that the Company's directors and certain of the Company's officers breached their fiduciary duties to the Company by allowing the Company to make allegedly false and misleading disclosures related to the FPI Loan Program. On February 13, 2019, the parties filed a stipulation, agreeing to stay the *Winter* Action pending resolution of any motion to dismiss the *Mariconda* Action, described above. On March 5, 2019, the court granted the parties' request to stay the *Winter* Action until April 29, 2019 and scheduled an administrative hearing in the case on April 29, 2019. The Company can provide no assurances as to the outcome of this litigation or provide an estimate of related expenses at this time.

On July 24, 2018, we filed a lawsuit in the District Court, Denver County, Colorado, against "Rota Fortunae" (a pseudonym) and numerous co-conspirators (collectively, "Wheel of Fortune") in response to an article posted on Seeking Alpha that makes numerous allegations about the Company that we believe to be false or materially misleading. We believe that as a consequence of Wheel of Fortune's internet posting and related postings on social media, the trading price of our common stock declined by approximately 40%. We believe that Wheel of Fortune's internet posting was made in connection with a "short and distort" scheme to profit from a decline in our stock price based on false and misleading information. The lawsuit that we filed alleges that Wheel of Fortune disseminated material false, misleading and defamatory information about us that has harmed us and our stockholders. The Company can provide no assurances as to the outcome of this litigation or provide an estimate of related expenses at this time. The Company expects that legal expenses related to this lawsuit may be substantial, may not be covered by insurance, and may exceed the Company's recovery, if any, from the litigation.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the NYSE under the symbol "FPI." On December 31, 2018 and March 8, 2019, the closing price of our common stock as reported on the NYSE was $4.54 and $5.18, respectively.

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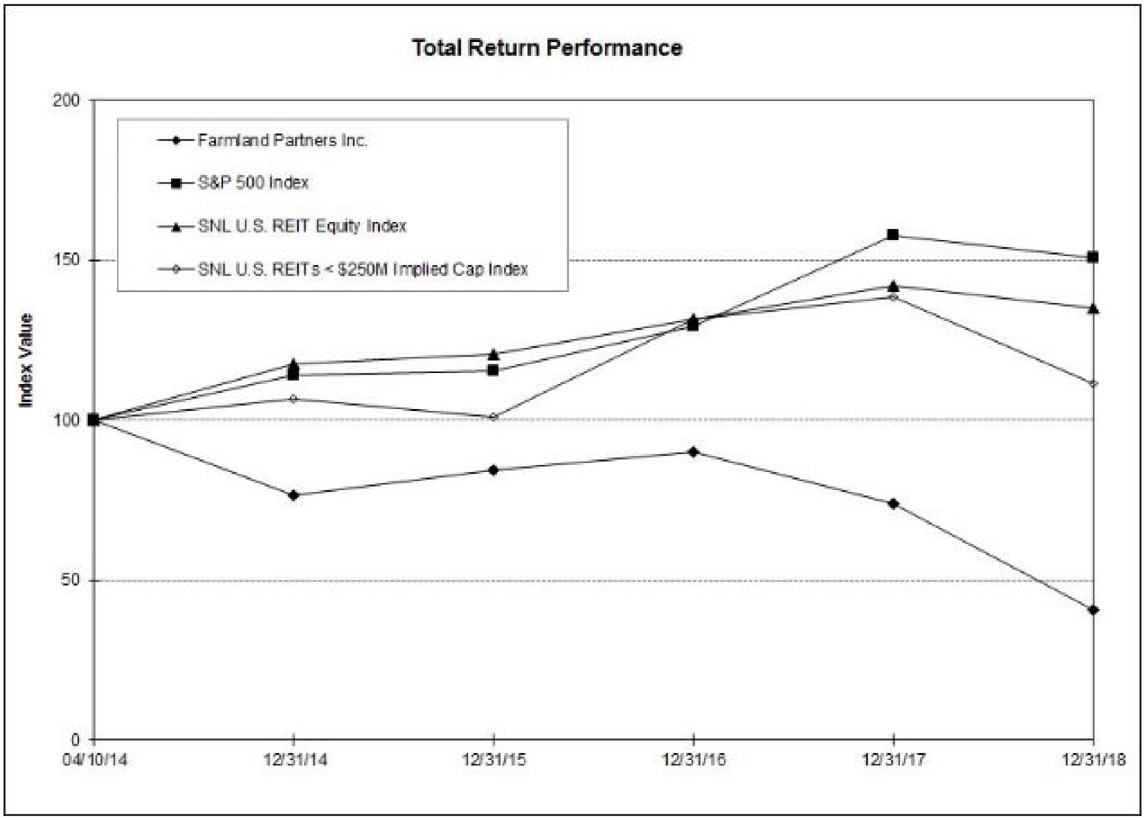
Stock Performance Graph

The following graph compares the total stockholder return of our common stock (assuming reinvestment of dividends) against the cumulative returns of the Standard & Poor's Corporation Composite 500 Index and the SNL Financial REIT Index, or the SNLUS REITs for the period from April 16, 2014, the date of the initial listing of our common stock on the NYSE MKT to December 31, 2018. Our common stock began trading on the NYSE on September 8, 2015.



Index	*Period Ending* 04/10/14	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
Farmland Partners Inc.	100.00	76.54	84.37	89.84	73.79	40.49
S&P 500 Index	100.00	113.98	115.56	129.38	157.62	150.71
SNL U.S. REIT Equity Index	100.00	117.39	120.63	131.34	141.97	134.95
SNL U.S. REITs < $250M Implied Cap Index	100.00	106.55	101.09	131.74	138.65	111.33

Distribution Information

Since our initial quarter as a publicly traded REIT, we have made regular quarterly distributions to our stockholders. We intend to continue to declare quarterly distributions. However, beginning with the third quarter of 2018, we significantly reduced distribution amounts on our common stock, and we cannot provide any assurance as to the amount or timing of future distributions.

Our ability to make distributions in the future will depend upon our actual results of operations and earnings, economic conditions and other factors that could differ materially from our current expectations, including the impact of ongoing

litigation. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, see "Risk Factors." Any future distributions will be authorized by our Board of Directors in its sole discretion out of funds legally available therefor and will be dependent upon a number of factors, including restrictions under applicable law, the capital requirements of our company and the distribution requirements necessary to qualify and maintain our qualification as a REIT. We may be required to fund distributions from working capital or borrow to provide funds for such distributions, or we may choose to make a portion of the required distributions in the form of a taxable stock dividend to preserve our cash balance or reduce our distribution. No distributions can be paid on our common stock unless we have paid all cumulative dividends on our Series A preferred units and Series B Participating Preferred Stock. The distribution preference of our Series A preferred units and Series B Participating Preferred Stock could limit our ability to make distributions to the holders of our common stock.

Holders of our Series A preferred units are entitled to receive cash distributions at a rate of 3.00% per annum on the $1,000 liquidation preference of the Series A preferred units, which is payable annually in arrears on January 15 of each year. Holders of shares of our Series B Participating Preferred Stock are entitled to receive cash dividends at a rate of 6.00% per annum on the initial liquidation preference per share of $25.00 (equivalent to the fixed annual rate of $1.50 per share). Beginning on September 30, 2024, dividends will accrue or be paid on any FVA Amount. See "Risk Factors— Certain aspects of our Series A preferred units and Series B Participating Preferred Units may limit our ability to make distributions to our common stockholders."

In order to maintain qualification as a REIT, we must distribute to our stockholders, on an annual basis, at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains. In addition, we will be subject to U.S. federal income tax at regular corporate rates to the extent that we distribute less than 100% of our net taxable income (including net capital gains) and will be subject to a 4% nondeductible excise tax on the amount by which our distributions in any calendar year are less than a minimum amount specified under applicable U.S. federal income tax laws. We intend to distribute our net income to our stockholders in a manner intended to satisfy the REIT 90% distribution requirement and to avoid any U.S. federal income tax liability on our income and the 4% nondeductible excise tax. We anticipate that our estimated cash available for distribution will exceed the annual distribution requirements applicable to REITs. However, under some circumstances, we may be required to use cash reserves, incur debt or liquidate assets at rates or times that we regard as unfavorable or make a taxable distribution of our shares in order to satisfy the REIT 90% distribution requirement and to avoid U.S. federal income tax and the 4% nondeductible excise tax.

We anticipate that, from time to time, our distributions will exceed our then current and accumulated earnings and profits for the relevant taxable year, as determined for U.S. federal income tax purposes, due to non-cash expenses such as certain stock-based compensation and depreciation and amortization. Therefore, a portion of our distributions may represent a return of capital for U.S. federal income tax purposes. The extent to which our distributions exceed our current and accumulated earnings and profits may vary substantially from year to year. To the extent a distribution is treated as a return of capital for U.S. federal income tax purposes, it will reduce a stockholder's adjusted tax basis in the holder's shares and, to the extent it exceeds the holder's adjusted tax basis, will be treated as gain resulting from a sale or exchange of such shares. As a result, the gain (or loss) recognized on a sale of that common stock or upon our liquidation would be increased (or decreased) accordingly.

Stockholder Information

As of March 8, 2019, there were approximately 47 holders of record of our common stock. However, because many shares of our common stock are held by brokers and other institutions on behalf of stockholders, we believe there are substantially more beneficial holders of our common stock than record holders. As of March 8, 2019, there were approximately 18 holders (other than our company and management) of our Common units. Our Common units are redeemable for cash or, at our election, for shares of our common stock, on a one-for-one basis. As of March 8, 2019, there were six holders of our Series A preferred units. As of March 8, 2019, there was one holder of record of our Series B Participating Preferred Stock. However, because many shares of our Series B Participating Preferred Stock are held by brokers and other institutions on behalf of stockholders, we believe there are substantially more beneficial holders of our Series B Participating Preferred Stock than record holders.

Issuer Purchases of Equity Securities

Share Repurchase Program

On March 15, 2017, our Board of Directors approved a program to repurchase up to $25 million in shares of our common stock. In November 2017, our Board of Directors approved repurchases of our Series B participating preferred stock from time to time under the share repurchase program. On August 1, 2018, our Board of Directors increased the authority under the share repurchase program by an aggregate of $30 million such that the amount of shares of our common stock and Series B participating preferred stock that may be repurchased is now approximately $38.5 million. This share repurchase program does not obligate us to acquire any particular amount of common stock or Series B participating preferred stock, and it may be modified or suspended at any time at our discretion. We expect to fund repurchases under the program using cash on our balance sheet. Repurchases under this program may be made from time to time, in amounts and prices as the Company deems appropriate. Repurchases may be made in open market or privately negotiated transactions in compliance with Rule 10b-18 under the Exchange Act, subject to market conditions, applicable legal requirements, trading restrictions under our insider trading policy, and other relevant factors. In 2018 we repurchased 3,048,147 shares of our common stock at an average price per share of $6.76 for a total cost of approximately $20.6 million and we repurchased 23,913 shares of our Series B Participating Preferred Stock at an average price of $19.32 per share for a total cost of approximately $0.5 million in the aggregate. The following table represents the activity from the fourth quarter of 2018 under the share repurchase program:

(shares in thousands)	Total Common Shares Purchased	Average Price Paid per Share	Total Preferred Shares Repurchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publically Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Share Repurchase Program
October	483	$ 6.73	—	$ —	—	$ 27,333,098
November	—	—	—	—	—	27,333,098
December	616	4.96	20	18.40	—	23,918,166
Total	1,099	$ 5.74	20	$ 18.40	—	$ 23,918,166

Item 6. Selected Financial Data

The following selected financial data as of and for the years ended December 31, 2018, 2017, 2016, 2015 and 2014 is derived from our audited consolidated financial statements. The data should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements and notes thereto, included elsewhere in this Annual Report on Form 10-K, and " *Management's Discussion and Analysis of Financial Condition and Results of Operations,"* included in Item 7 of this Annual Report.

All periods presented in the table below prior to April 16, 2014, the date of our initial public offering, reflect the operations of our Predecessor. The historical combined financial data for our Predecessor is not necessarily indicative of our results of operations, cash flows or financial position following the completion of our initial public offering.

	As of and for the years ended December 31, 2018				
($ in thousands)	2018	2017	2016	2015	2014
Operating Data					
Total operating revenues	$ 56,069	$ 46,219	$ 31,001	$ 13,756	$ 4,218
Net income (loss)	$ 14,040	$ 9,158	$ 5,999	$ 1,689	$ (671)
Per Share Data					
Basic net income (loss) available to common stockholders	$ (0.01)	$ 0.03	$ 0.09	$ 0.08	$ (0.15)
Diluted net income (loss) available to common stockholders	$ (0.01)	$ 0.03	$ 0.09	$ 0.08	$ (0.15)
Distributions declared per common share	$ 0.36	$ 0.51	$ 0.51	$ 0.50	$ 0.33
Basic weighted average common shares outstanding	32,162	31,210	13,204	9,619	4,265
Diluted weighted average common shares outstanding	32,162	31,210	13,204	9,629	4,265
Supplemental Data					
EBITDAre [(1)]	$ 38,501	$ 30,711	$ 17,523	$ 7,208	$ 1,030
Adjusted EBITDAre [(1)]	$ 40,335	$ 33,931	$ 21,624	$ 8,678	$ 2,089
FFO [(1)]	$ 19,702	$ 17,150	$ 7,553	$ 2,582	$ (342)
AFFO [(1)]	$ 8,973	$ 13,514	$ 11,011	$ 4,052	$ 717
Balance Sheet Data					
Total assets	$ 1,139,509	$ 1,166,086	$ 655,529	$ 344,954	$ 200,658
Total gross indebtedness	$ 525,326	$ 515,833	$ 309,862	$ 187,225	$ 113,878
Total liabilities	$ 535,968	$ 530,402	$ 320,020	$ 196,726	$ 117,132
Redeemable non-controlling interest in operating partnership, common units	$ —	$ —	$ —	$ 9,694	$ —
Redeemable non-controlling interest in operating partnership, preferred units	$ 120,510	$ 120,510	$ 119,915	$ —	$ —
Series B Participating Preferred Stock	143,758	144,223	—	—	—
Total equity (deficit)	$ 339,273	$ 370,951	$ 215,594	$ 138,534	$ 83,526

(1) For definitions and reconciliations of net income to earnings before interest, taxes, depreciation and amortization, or EBITDAre, Adjusted EBITDAre, funds from operations, or FFO, and Adjusted FFO, or AFFO, as well as a statement disclosing the reasons why our management believes that EBITDAre, Adjusted EBITDAre, FFO and AFFO provide useful information to investors and, to the extent material any additional purposes for which our management uses such measures, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Financial Measures."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto contained elsewhere in this Annual Report on Form 10-K.

Overview and Background

We are an internally managed real estate company that owns and seeks to acquire high-quality farmland located in agricultural markets throughout North America. As of the date of this Annual Report on Form 10-K, we own farms with an aggregate of approximately 162,000 acres in Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Kansas, Louisiana, Michigan, Mississippi, Nebraska, North Carolina, South Carolina, South Dakota, Texas and Virginia. As of the date of this Annual Report on Form 10-K, approximately 75% of our portfolio by value, and 90% by acres, is used to grow primary crops, such as corn, soybeans, wheat, rice and cotton, with the balance used to produce specialty crops, such as blueberries, vegetables, citrus, nuts and edible beans. We believe our portfolio gives investors exposure to the increasing global food demand trend in the face of growing scarcity of high quality farmland and will reflect the approximate breakdown of U.S. agricultural output between primary crops and animal protein (whose production relies principally on primary crops as feed), on one hand, and specialty crops, on the other.

In addition, in August 2015, we announced the launch of the FPI Loan Program, an agricultural lending product aimed at farmers, as a complement to our primary business of acquiring and owning farmland and leasing it to farmers. Under the FPI Loan Program, we make loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related purposes.

We were incorporated in Maryland on September 27, 2013, and we are the sole member of the sole general partner of the Operating Partnership, which is a Delaware limited partnership that was formed on September 27, 2013. All of our assets are held by, and our operations are primarily conducted through, the Operating Partnership and its wholly owned subsidiaries. As of the date of this Annual Report on Form 10-K we own 93.2% of the Common units and none of the Series A preferred units nor the Series B Participating Preferred Stock. See Note 9 to our consolidated financial statements for additional information regarding the Series A preferred units.

As of December 31, 2018, we owned 87.0% of the Common units in the Operating Partnership.

We elected and qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our short taxable year ended December 31, 2014.

Recent Developments

2018 Completed Acquisitions and Dispositions

During 2018, we completed six asset acquisitions. Consideration totaled $33.2 million and consisted entirely of cash. No intangible assets were acquired through these acquisitions. We also completed five dispositions for total consideration of $31.9 million for a total gain over net book value of $3.1 million or 9.7%.

Stock Repurchase

During 2018, the Company repurchased 3,048,147 shares at an average price per share of $6.76 for a total cost of approximately $20.6 million.

Factors That May Influence Future Results of Operations and Farmland Values

The principal factors affecting our operating results and the value of our farmland include global demand for food relative to the global supply of food, farmland fundamentals and economic conditions in the markets in which we own farmland, and our ability to increase or maintain rental revenues while controlling expenses. Although farmland prices may show a decline from time to time, we believe that any reduction in U.S. farmland values overall is likely to be short-

lived as global demand for food and agricultural commodities typically exceeds global supply. In addition, although prices for many crops experienced significant declines in 2014 and 2015 and many crops have still not recovered to their pre-2014 prices, we do not believe that such declines represent a trend that will continue over the long term. Rather, we believe that long-term growth trends in global population and GDP per capita will result in increased prices for primary crops over time.

Demand

We expect that global demand for food, driven primarily by significant increases in the global population and GDP per capita, will continue to be the key driver of farmland values. We further expect that global demand for most crops will continue to grow to keep pace with global population growth, which we anticipate will lead to either higher prices and/or higher yields and, therefore, higher rental rates on our farmland, as well as sustained growth in farmland values over the long-term. We also believe that growth in global GDP per capita, particularly in developing nations, will contribute significantly to increasing demand for primary crops. As global GDP per capita increases, the composition of daily caloric intake is expected to shift away from the direct consumption of primary crops toward animal-based proteins, which is expected to result in increased demand for primary crops as feed for livestock. According to the United Nations' Food and Agriculture Organization ("UN FAO"), these factors are expected to require more than one billion additional tons of global annual grain production by 2050, a 43% increase from 2005-2007 levels and more than two times the 446 million tons of grain produced in the United States in 2014. Furthermore, we believe that, as GDP per capita grows, a significant portion of additional household income is allocated to food and that once individuals increase consumption of, and spending on, higher quality food, they will strongly resist returning to their former dietary habits, resulting in greater inelasticity in the demand for food. As a result, we believe that, as global demand for food increases, rental rates on our farmland and the value of our farmland will increase over the long-term. Global demand for corn and soybeans as inputs in the production of biofuels such as ethanol and soy diesel also could impact the prices of corn and soybeans, which, in the long-term, could impact our rental revenues and our results of operations. However, the success of our business strategy is not dependent on growth in demand for biofuels and we do not believe that demand for corn and soybeans as inputs in the production of biofuels will materially impact our results of operations or the value of our farmland, primarily because we believe that growth in global population and GDP per capita will be more significant drivers of global demand for primary crops over the long-term.

Supply

Global supply of agricultural commodities is driven by two primary factors, the number of tillable acres available for crop production and the productivity of the acres being farmed. Although the amount of global cropland in use has gradually increased over time, growth has plateaued over the last 20 years. Cropland area continues to increase in developing countries, but after accounting for expected continuing cropland loss, the UN FAO projects only 173 million acres will be added from 2005-2007 to 2050, an approximate 5% increase. In comparison, world population is expected to grow over the same period to 9.1 billion, a nearly 40% increase. According to the World Bank Group arable land per capita has decreased by approximately 50% from 1961 to 2015. While we expect growth in the global supply of arable land, we also expect that landowners will only put that land into production if increases in commodity prices and the value of farmland cause landowners to benefit economically from using the land for farming rather than alternative uses. We also believe that decreases in the amount of arable land in the United States and globally as a result of increasing urbanization will partially offset the impact of additional supply of farmland. Additionally, we believe that farmland lost to urban development disproportionately impacts higher quality farmland. According to a study published in 2017 in the Proceedings of the National Academy of Sciences, urban expansion is expected to take place on cropland that is 1.77 times more productive than the global average.The global supply of food is also impacted by the productivity per acre of tillable land. Historically, productivity gains (measured by average crop yields) have been driven by advances in seed technology, farm equipment, irrigation techniques and chemical fertilizers and pesticides. Furthermore, we expect the increasing shortage of water in many irrigated growing regions in the United States and other growing regions around the globe, often as a result of new water restrictions imposed by laws or regulations, to lead to decreased productivity growth on many acres and, in some cases, cause yields to decline on those acres.

Conditions in Our Existing Markets

Our portfolio spans numerous farmland markets and crop types, which provides us broad diversification across conditions in these markets. Across all regions, farmland acquisitions continue to be dominated by buyers who are existing farm owners and operators; institutional and investor acquirors remain a small fraction of the industry. We generally see firm demand for high quality properties across all regions and crop types.

With regard to leasing dynamics, we believe quality farmland in the United States has a near-zero vacancy rate as a result of the supply and demand fundamentals discussed above. Our view is that rental rates for farmland are a function of farmland operators' view of the long-term profitability of farmland, and that many farm operators will compete for farmland even during periods of decreased profitability due to the scarcity of farmland available to rent. In particular, we believe that due to the relatively high fixed costs associated with farming operations (including equipment, labor and knowledge), many farm operators in some circumstances will rent additional acres of farmland when it becomes available in order to allocate their fixed costs over additional acres. Furthermore, because it is generally customary in the industry to provide the existing tenant with the opportunity to re-lease the land at the end of each lease term, we believe that many farm operators will rent additional land that becomes available in order to control the ability to farm that land in future periods. As a result, in our experience, many farm operators will aggressively pursue rental opportunities in their operable geographic area, even when the farmer anticipates lower current returns or short-term losses.

In our primary row crop farmland, we see flat to modestly higher rent rates in connection with 2019 lease renewals. This is consistent with, on the one hand, headwinds in primary crop markets and, on the other, tenant demand for leasing high quality farmland. Due to the short term nature of most of our primary crop leases, we believe that a recovery of crop prices and farm profitability will be reflected relatively rapidly in our revenues via increases in rent rates. Across specialty crops, operator profitability generally remains healthy. Participating lease structures are common in many specialty crops and base lease rates are consistent with or slightly higher than 2018.

Lease Expirations

Farm leases are often short-term in nature. As of December 31, 2018 our portfolio had the following lease expirations as a percentage of approximate acres leased and annualized minimum cash rents:

($ in thousands) **Year Ending December 31,**	**Approximate Acres**	**% of Approximate Acres**	**Annual Cash Rents**	**% of Annual Cash Rents**
2019	57,376	36.5 %	$ 10,616	31.8 %
2020	40,196	25.6 %	10,525	31.6 %
2021	44,275	28.2 %	7,921	23.7 %
2022	9,197	5.9 %	1,326	4.0 %
2023	640	0.4 %	27	0.1 %
2024 and beyond	5,490	3.5 %	2,944	8.8 %
	157,175	100 %	$ 33,359	100 %

We have or are currently negotiating leases on 12,756 total acres. We expect that rents for primary crop farmland will experience a modest increase in 2019. We expect that rents for specialty crop farmland will be flat to modestly increasing.

Rental Revenues

Our revenues are primarily generated from renting farmland to operators of farming businesses. Our leases have terms ranging from one to 25 years, with three being the most common. Although the majority of our leases do not provide the tenant with a contractual right to renew the lease upon its expiration, we believe it is customary to provide the existing tenant with the opportunity to renew the lease, subject to any increase in the rental rate that we may establish. If the tenant elects not to renew the lease at the end of the lease term, the land will be offered to a new tenant.

The leases for the majority of the properties in our portfolio provide that tenants must pay us at least 50% of the annual rent in advance of each spring planting season. As a result, we collect a significant portion of total annual rents in the first

calendar quarter of each year. We believe our use of leases pursuant to which at least 50% of the annual rent is payable in advance of each spring planting season mitigates the tenant credit risk associated with the variability of farming operations that could be adversely impacted by poor crop yields, weather conditions, mismanagement, undercapitalization or other factors affecting our tenants. Tenant credit risk is further mitigated by requiring that our tenants maintain crop insurance and by our claim on a portion of the related proceeds, if any, as well as by our security interest in the growing crop. Prior to acquiring farmland property, we take into consideration the competitiveness of the local farm-operator tenant environment in order to enhance our ability to quickly replace a tenant that is unwilling to renew a lease or is unable to pay a rent payment when it is due. Some of our leases provide for a reimbursement of the property taxes we pay.

Expenses

Substantially all of our farm leases are structured in such a way that we are responsible for major maintenance, certain insurance and taxes (which are sometimes reimbursed to us by our tenants), while our tenant is responsible for minor maintenance, water usage and all of the additional input costs related to farming operations on the property, such as seed, fertilizer, labor and fuel. We expect that substantially all of the leases for farmland we acquire in the future will continue to be structured in a manner consistent with substantially all of our existing leases. As the owner of the land, we generally only bear costs related to major capital improvements permanently attached to the property, such as irrigation systems, drainage tile, grain storage facilities, permanent plantings or other physical structures customary for farms. In cases where capital expenditures are necessary, we typically seek to offset, over a period of multiple years, the costs of such capital expenditures by increasing rental rates. We also incur the costs associated with maintaining liability and casualty insurance.

We incur costs associated with running a public company, including, among others, costs associated with employing our personnel and compliance costs. We incur costs associated with due diligence and acquisitions, including, among others, travel expenses, consulting fees, and legal and accounting fees. We also incur costs associated with managing our farmland. The management of our farmland, generally, is not labor or capital intensive because farmland generally has minimal physical structures that require routine inspection and maintenance, and our leases, generally, are structured to require the tenant to pay many of the costs associated with the property. Furthermore, we believe that our platform is scalable, and we do not expect the expenses associated with managing our portfolio of farmland to increase significantly as the number of farm properties we own increases over time.

Crop Prices

We believe short-term crop price changes have had little effect historically on farmland values. They also have a limited impact on our rental revenue, as most of our leases provide for a fixed cash rental rate, a common approach in agricultural markets, especially with respect to row crops, for several reasons. This approach recognizes that the value of leased land to a tenant is more closely linked to the total revenue produced on the property which is driven by crop yield and crop price. This approach simplifies the administrative requirements for the landlord and the tenant significantly. This approach supports the tenants' desire to maintain access to their leased farms which are in short supply, a concept expanded upon below, by providing the landlord consistent rents. Crop price exposure is also limited because tenants also benefit from the fundamental revenue hedging that occurs when large crop yields mitigate the effect of lower crop prices. Similarly, lower crop yields have a tendency to trigger higher crop prices and help increase revenue even when confronted by a lower crop yields. Such hedging effect also limits the impact of short-term crop price changes on revenues generated by leases with a bonus component based on farm revenues. Further risk mitigation is available to tenants, and indirectly to us, via crop insurance and hedging programs implemented by tenants. Our TRS takes advantage of these risk mitigation programs and strategies also.

We believe quality farmland in the United States has a near-zero vacancy rate as a result of the supply and demand fundamentals. Our view is that rental rates for farmland are a function of farmland operators' view of the long-term profitability of farmland, and that many farm operators will compete for farmland even during periods of decreased profitability due to the scarcity of farmland available to rent. In particular, we believe that due to the relatively high fixed costs associated with farming operations (including equipment, labor and knowledge), many farm operators in some circumstances will rent additional acres of farmland when it becomes available in order to allocate their fixed costs over additional acres. Furthermore, because it is generally customary in the industry to provide the existing tenant with the opportunity to re-lease the land at the end of each lease term, we believe that many farm operators will rent additional land that becomes available in order to control the ability to farm that land in future periods. As a result, in our experience,

many farm operators will aggressively pursue rental opportunities in their operable geography, even when the farmer anticipates lower current returns or short-term losses.

The value of a crop is affected by many factors that can differ on a yearly basis. Weather conditions and crop disease in major crop production regions worldwide creates a significant risk of price volatility, which may either increase or decrease the value of the crops that our tenants produce each year. Other material factors adding to the volatility of crop prices are changes in government regulations and policy, fluctuations in global prosperity, fluctuations in foreign trade and export markets, and eruptions of military conflicts or civil unrest. Prices for many primary crops, particularly corn, experienced meaningful declines in 2014 and 2015, and have still not recovered to their pre-2014 prices . We do not believe such declines represent a trend over the long term. Rather, we believe those declines represented a combination of correction to historical norms (adjusted for inflation) and high yields due to favorable weather patterns. We expect that continued long-term growth trends in global population and GDP per capita will result in increased revenue per acre for primary crops over time. We expect pricing across specialty crops to generally remain firm relative to 2018 as U.S. and global consumer demand remains strong and supply is broadly balanced to demand. Although annual rental payments under the majority of our leases are not based expressly on the quality or profitability of our tenants' harvests, any of these factors could adversely affect our tenants' ability to meet their obligations to us and our ability to lease or re-lease properties on favorable terms.

Interest Rates

We expect that future changes in interest rates will impact our overall operating performance by, among other things, increasing our borrowing costs. While we may seek to manage our exposure to future changes in rates through interest rate swap agreements or interest rate caps, portions of our overall outstanding debt will likely remain at floating rates. In addition, a sustained material increase in interest rates may cause farmland prices to decline if the rise in real interest rates (which is defined as nominal interest rates minus the inflation rate) is not accompanied by rises in the general levels of inflation. However, our business model anticipates that over time the value of our farmland will increase, as it has in the past, at a rate that is equal to or greater than the rate of inflation, which may in part offset the impact of rising interest rates on the value of our farmland, but there can be no guarantee that this appreciation will occur to the extent that we anticipate or at all.

Impact of Trade Tensions

As trade tensions have increased between the United States and its key agricultural trading partners, agricultural products have become the target for many international tariff increases. We believe that a prolonged international trade conflict could significantly impact farms and farmers across the United States and that our tenants' financial results could be negatively impacted. Specifically, trade tensions have reduced the prices our tenants received for soybeans, almonds, and walnuts, among other crops, with an impact on the variable rents we recognized.

The U.S. Federal government has announced a farmer safety net program to help farmers impacted by other countries' newly imposed import tariffs. While we believe this program will help farmers in the United States in the short-term, a prolonged trade conflict may lead to adverse financial results for farms despite the implementation of the safety net program.

The short to medium-term impact on the Company's financial performance due to a trade conflict may be mitigated by the multi-year term structure of many of our leases and limited to contingent rent components. However, a long-term trade conflict would likely impact our rents and thereby negatively impact our business. Additionally, a long-term trade conflict would likely motivate non-US. agricultural businesses to strengthen their logistics and trade infrastructure. This may also lead to the weakening of U.S. agricultural trade relationships that would be difficult for the United States to reestablish in the future.

Impact of Extreme Weather Events

Our tenants' profitability and, to some degree, our variable rent revenue were negatively impacted by extreme weather events in 2018. Specifically, hurricane Michael affected our pecan farms in Alabama and Georgia, and excess rainfall

affected several row crop farms in Virginia, North Carolina, and South Carolina. Furthermore, a heat wave affected an avocado farm in California, with a negative impact expected on 2019 revenue.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ significantly from these estimates and assumptions. We have provided a summary of our significant accounting policies in the notes to the historical consolidated financial statements included elsewhere in this filing. We have set forth below those accounting policies that we believe require material subjective or complex judgments and have the most significant impact on our financial condition and results of operations. We evaluate our estimates, assumptions and judgments on an ongoing basis, based on information that is then available to us, our experience and various matters that we believe are reasonable and appropriate for consideration under the circumstances.

Real Estate Acquisitions

When we acquire farmland where substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets it is not considered a business. As such, we account for these types of acquisitions as asset acquisitions. When substantially all of the fair value of the gross assets acquired is not concentrated in a single identifiable asset or a group of similar assets and contains acquired inputs, processes and outputs, these acquisitions are accounted for as a business combination.

We consider single identifiable assets as tangible assets that are attached to and cannot be physically removed and used separately from another tangible asset without incurring significant cost or significant diminution in utility or fair value. We consider similar assets as assets that have a similar nature and risk characteristics.

Whether our acquisitions are treated as an asset acquisition under ASC 360 or a business combination under ASC 805, the fair value of the purchase price is allocated among the assets acquired and any liabilities assumed by valuing the property as if it was vacant. The "as-if-vacant" value is allocated to land, buildings, improvements, permanent plantings and any liabilities, based on management's determination of the relative fair values of such assets and liabilities as of the date of acquisition.

Upon acquisition of real estate, we allocate the purchase price of the real estate based upon the fair value of the assets and liabilities acquired, which historically have consisted of land, drainage improvements, irrigation improvements, groundwater, permanent plantings (bushes, shrubs, vines, and perennial crops), and grain facilities, and may also consist of intangible assets including in-place leases, above market and below market leases, and tenant relationships. We allocate the purchase price to the fair value of the tangible assets by valuing the land as if it were unimproved. We value improvements, including permanent plantings and grain facilities, at replacement cost, adjusted for depreciation.

Our estimates of land value are made using a comparable sales analysis. Factors considered by us in our analysis of land value include soil types and water availability and the sales prices of comparable farms. Our estimates of groundwater value are made using historical information obtained regarding the applicable aquifer. Factors considered by us in our analysis of groundwater value are related to the location of the aquifer and whether or not the aquifer is a depletable resource or a replenishing resource. If the aquifer is a replenishing resource, no value is allocated to the groundwater. We include an estimate of property taxes in the purchase price allocation of acquisitions to account for the expected liability that was assumed.

When above or below market leases are acquired, we value the intangible assets based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values will be amortized as a reduction of rental income over the remaining term of the respective leases. The fair value of acquired below market leases, included in deferred revenue on the accompanying consolidated balance sheets, is amortized as an increase to rental income

on a straight-line basis over the remaining non-cancelable terms of the respective leases, plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases.

The purchase price is allocated to in-place lease values and tenant relationships, if they are acquired, based on our evaluation of the specific characteristics of each tenant's lease, availability of replacement tenants, probability of lease renewal, estimated down time, and our overall relationship with the tenant. The value of in-place lease intangibles and tenant relationships will be included as an intangible asset and will be amortized over the remaining lease term (including expected renewal periods of the respective leases for tenant relationships) as amortization expense. If a tenant terminates its lease prior to its stated expiration, any unamortized amounts relating to that lease, including (i) above and below market leases, (ii) in-place lease values, and (iii) tenant relationships, would be recorded to revenue or expense as appropriate.

We capitalize acquisition costs and due diligence costs if the asset is expected to qualify as an asset acquisition. If the asset acquisition is abandoned, the capitalized asset acquisition costs will be expensed to acquisition and due diligence costs in the period of abandonment. Costs associated with a business combination are expensed to acquisition and due diligence costs as incurred.

Total consideration for acquisitions may include a combination of cash and equity securities. When equity securities are issued, we determine the fair value of the equity securities issued based on the number of shares of common stock and Common units issued multiplied by the stock price on the date of closing in the case of common stock and Common units and by liquidation preference in the case of preferred stock and preferred units.

Using information available at the time of a business combination, we allocate the total consideration to tangible assets and liabilities and identified intangible assets and liabilities. During the measurement period, which may be up to one year from the acquisition date, the Company may adjust the preliminary purchase price allocations after obtaining more information about assets acquired and liabilities assumed at the date of acquisition.

Real Estate

Our real estate consists of land, groundwater, permanent crops (consisting of trees and vines) and improvements made to the land consisting of grain facilities, irrigation improvements, other assets and drainage improvements. We record real estate at cost and capitalize improvements and replacements when they extend the useful life or improve the efficiency of the asset. We expense costs of repairs and maintenance as such costs are incurred. We begin depreciating assets when the asset is ready for its intended use. We compute depreciation and depletion for assets classified as improvements using the straight-line method over the estimated useful life of 10-40 years for grain facilities, 2-40 years for irrigation improvements, 20-65 for drainage improvements, 3-50 years for groundwater, 13-40 years for permanent plantings, and 5-40 years for other assets acquired. We periodically evaluate the estimated useful lives for groundwater based on current state water regulations and depletion levels of the aquifers.

When a sale occurs, we recognize the associated gain when all consideration has been transferred, the sale has closed, and there is no material continuing involvement. If a sale is expected to generate a loss, we first assess it through the impairment evaluation process. See ‘‘—Impairment of Real Estate Assets’’ below.

Impairment of Real Estate Assets

We evaluate our tangible and identifiable intangible real estate assets for impairment indicators whenever events such as declines in a property's operating performance, deteriorating market conditions, or environmental or legal concerns bring recoverability of the carrying value of one or more assets into question. If such events are present, we project the total undiscounted cash flows of the asset, including proceeds from disposition, and compare it to the net book value of the asset. If this evaluation indicates that the carrying value may not be recoverable, an impairment loss is recorded in earnings equal to the amount by which the carrying value exceeds the fair value of the asset. There have been no impairments recognized on real estate assets in the accompanying financial statements.

Inventory of our TRS

The costs of growing crop are accumulated until the time of harvest at the lower of cost or market value and are included in inventory in our consolidated financial statements. Costs are allocated to growing crops based on a percentage of the total costs of production and total operating costs that are attributable to the portion of the crops that remain in inventory at the end of the year. Growing crop consists primarily of land preparation, cultivation, irrigation and fertilization costs incurred by FPI Agribusiness. Growing crop inventory is charged to cost of products sold when the related crop is harvested and sold.

Harvested crop inventory includes costs accumulated during both the growing and harvesting phases and is stated at the lower of those costs or the estimated net realizable value, which is the market price, based upon the nearest market in the geographic region, less any cost of disposition. Cost of disposition includes broker's commissions, freight and other marketing costs.

Revenue Recognition

Rental income includes rents that each tenant pays in accordance with the terms of its lease. Minimum rents pursuant to leases are recognized as revenue on a straight-line basis over the lease term, including renewal options in the case of bargain renewal options. Deferred revenue includes the cumulative difference between the rental revenue recorded on a straight-line basis and the cash rent received from tenants in accordance with the lease terms. Acquired below market leases are included in deferred revenue on the accompanying consolidated balance sheets, which are amortized into rental income over the life of the respective leases, plus the terms of the below market renewal options, if any.

Leases in place as of December 31, 2018 had terms ranging from one to twenty five years. As of December 31, 2018, we had 72 leases over 137 properties with rent escalations. The majority of our leases provide for a fixed annual or semi-annual cash rent payment. Tenant leases on acquired farms generally require the tenant to pay us rent for the entire initial year regardless of the date of acquisition, if the acquisition is closed prior to, or shortly after, planting of crops. If the acquisition is closed later in the year, we typically receive a partial rent payment or no rent payment at all.

Certain of our leases provide for a portion of the rent determined as a percentage of the gross farm proceeds. Revenue under leases providing for a payment equal to a percentage of the gross farm proceeds are recorded at the guaranteed crop insurance minimums and recognized ratably over the lease term during the crop year. Upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified us of the total amount of gross farm proceeds, revenue is recognized for the excess of the actual gross farm proceeds and the previously recognized minimum guaranteed insurance. Revenue derived from a percentage of the farm gross proceeds that is over and above the crop insurance minimums is recognized once crop price and quantity are known (typically at the time the crops are harvested). As a result, we are only able to recognize revenue from such leases once annually.

Certain of our leases provide for minimum cash rent plus a bonus based on gross farm proceeds. Revenue under this type of lease is recognized on a straight-line basis over the lease term based on the minimum cash rent. Bonus rent is recognized upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified us of the total amount of gross farm proceeds

Tenant reimbursements include reimbursements for real estate taxes that each tenant pays in accordance with the terms of its lease. When leases require that the tenant reimburse us for property taxes paid by us, the reimbursement is reflected as tenant reimbursement revenue on the statements of operations, as earned, and the related property tax as property operating expense, as incurred.

We recognize interest income on notes receivable on an accrual basis over the life of the note. Direct origination costs are netted against loan origination fees and are amortized over the life of the note using the straight-line method, which approximates the effective interest method, as an adjustment to interest income which is included in other revenue in the Company's Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016.

Crop sales revenue

We record revenue from the sale of harvested crops when the harvested crop has been contracted to be delivered to a grain or packing facility and title has transferred. Harvested crops delivered under marketing contracts are recorded using the fixed price of the marketing contract at the time of delivery to a grain or packing facility. Harvested crops delivered without a marketing contract are recorded using the market price at the date the harvested crop is delivered to the grain or packing facility and title has transferred.

Other revenue

We recognize interest income on notes receivable on an accrual basis over the life of the note. Direct origination costs are netted against loan origination fees and are amortized over the life of the note using the straight-line method, which approximates the effective interest method, as an adjustment to interest income which is included in other revenue in the Company's Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016.

Income Taxes

As a REIT, for income tax purposes we are permitted to deduct dividends paid to our stockholders, thereby eliminating the U.S. federal taxation of income represented by such distributions at the Company level, provided certain requirements are met. REITs are subject to a number of organizational and operational requirements. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate tax rates.

The Operating Partnership leases certain of its farms to the TRS, which is subject to federal and state income taxes. We account for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting basis of assets and liabilities and their respective income tax basis and for operating loss, capital loss and tax credit carryforwards based on enacted income tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not they will be realized on consideration of available evidence, including future reversals of existing taxable temporary differences, future projected taxable income and tax planning strategies. There was $(0.2) million in taxable income from the TRS for the year ended December 31, 2018, and $0.03 million in taxable income for the year ended December 31, 2017, and $0.03 million for the year ended December 31, 2016.

We perform an annual review for any uncertain tax positions and, if necessary, will record future tax consequences of uncertain tax positions in the financial statements. An uncertain tax position is defined as a position taken or expected to be taken in a tax return that is not based on clear and unambiguous tax law and which is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. At December 31, 2018, we did not identify any uncertain tax positions.

When we acquire a property in a business combination, we evaluate such acquisition for any related deferred tax assets or liabilities and determine if a deferred tax asset or liability should be recorded in conjunction with the purchase price allocation. If a built-in gain is acquired, we evaluate the required holding period (generally 5 years) and determine if we have the ability and intent to hold the underlying assets for the necessary holding period. If we have the ability to hold the underlying assets for the required holding period, no deferred tax liability will be recorded with respect to the built-in gain. We determined that no deferred tax asset or liability was recorded through the business combination that we undertook during the year ended December 31, 2018.

New or Revised Accounting Standards

For a summary of the new or revised accounting standards please refer to "Note 1 – Organization and Significant Accounting Policies" within the notes to the combined consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Results of Operations

Comparison of the year ended December 31, 2018 to the year ended December 31, 2017

($ in thousands)	For the year ended December 31, 2018	For the year ended December 31, 2017	$ Change	% Change
OPERATING REVENUES:				
Rental income	$ 51,185	$ 42,956	$ 8,229	19.2 %
Tenant reimbursements	3,158	1,909	1,249	65.4 %
Crop Sales	410	799	(389)	(48.7)%
Other revenue	1,316	555	761	137.1 %
Total operating revenues	56,069	46,219	9,850	21.3 %
OPERATING EXPENSES:				
Depreciation and depletion	8,544	7,792	752	9.7 %
Property operating expenses	7,834	5,897	1,937	32.8 %
Acquisition and due diligence costs	180	930	(750)	(80.6)%
General and administrative expenses	7,477	7,258	219	3.0 %
Legal and accounting	2,330	1,453	877	60.4 %
Other operating expenses	11	361	(350)	(97.0)%
Total operating expenses	26,376	23,691	2,685	11.3 %
OPERATING INCOME	29,693	22,528	7,165	31.8 %
OTHER (INCOME) EXPENSE:				
Other income	(264)	(391)	127	(32.5)%
Gain on sale of assets	(2,882)	200	(3,082)	NM
Interest expense	18,799	13,561	5,238	38.6 %
Total other expense	15,653	13,370	2,283	17.1 %
Net income before income tax expense	14,040	9,158	4,882	53.3 %
Income tax expense	—	—	—	NM
NET INCOME	$ 14,040	$ 9,158	$ 4,882	53.3 %

NM = Not Meaningful

Our rental income for 2018 was impacted by the 19 acquisitions that took place in 2017, primarily in the fourth quarter, in addition to the six acquisitions and five dispositions that took place in 2018. To highlight the effect of changes due to acquisitions, we have separately discussed the rental income for the same-property portfolio, which includes only properties owned and operated for the entirety of both periods presented, excluding properties that generated one-time revenues such as termination fees. Due to the timing of the Company's acquisitions of speciality crop farms, the same property portfolio consists almost exclusively of row crop farms. Total rental income under leases for the same-property portfolio decreased 0.6 million, or 3%, from $21.5 million for the year ended December 31, 2017 to $20.8 million for the year ended December 31, 2018, due to slightly higher rent on row crops in the periods compared.

Total rental income increased $8.2 million, or 19.2%, for the year ended December 31, 2018 as compared to the prior year. This increase was the result of the 25 acquisitions completed during the years ended December 31, 2018 and December 31, 2017. Management estimates that trade tensions and extreme weather events had a negative impact on 2018 rental income of approximately $1.0 million.

Leases in place in 2018 that provide for tenant payment of property taxes required the tenant to reimburse us for the tax amount we paid in 2018 for the 2017 taxable year. Due to changes in terms of lease renewals during 2018, the addition of permanent crop properties and certain outstanding leases, tenant reimbursements increased $1.2 million, or 65.4%, in 2018, as compared to 2017.

Crop sales decreased $0.4 million for the year ended December 31, 2018, as compared to the year ended December 31, 2017, due to the fact that there is only one permanent crop property included in the TRS in 2018. During 2017 the Company had two permanent crop development properties that were acquired as part of the AFCO Mergers and operated by the TRS.

Other revenue increased $0.8 million for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The change largely resulted from the increase in notes receivable for 2018 compared to 2017, leading to higher interest income.

Depreciation, depletion and amortization expense increased $0.8 million, or 9.7%, for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The increase is the result of acquiring or constructing depreciable assets, net of disposals throughout 2018.

Property operating expenses increased $1.9 million or 32.8%, for the year ended December 31, 2018, as compared to the year ended December 31, 2017, most of which is attributable to an increase in property taxes as a result of six asset acquisitions completed in 2018 and a full year of depreciation on the 19 properties acquired in 2017. The increase included a $2.0 million increase in property taxes, also driven by the acquisitions completed during the year, and a $0.3 million increase in bad debt expense. These were offset by a $0.6 million decrease in general property operating expense.

Acquisition and due diligence costs totaled $0.2 million for the year ended December 31, 2018 as compared to $0.9 million recognized in the year ended December 31, 2017 primarily as a result of decreased acquisition activity in 2018.

General and administrative expenses increased $0.2 million, or 3.0%, for the year ended December 31, 2018, as compared to the year ended December 31, 2017. During the year ended December 31, 2018, compensation expenses increased $0.2 million, as compared with the same period in 2017, due to an increase in the board compensation and bonus expense. However these were offset by a $0.2 million decrease in employee compensation expense. During 2018, travel expenses increased approximately $0.2 million as compared to the prior year.

Legal and accounting increased $0.9 million, or 60.4%, for the year ended December 31, 2018, as compared to the year ended December 31, 2017. The increase in legal and accounting expenses was primarily attributable to increased costs related to litigation for the Rota Fortunae matter. See “Item 3—Legal Proceedings.” Legal general and administrative expenses increased $1.2 million compared to the same period in 2017, which was offset by a decrease in audit fees of $0.4 million compared to the same period in 2017.

Other operating expenses totaled $0.01 million during the year ended December 31, 2018 and $0.4 million in 2017. Other operating expenses for both periods relate to the cost of crop sales from our TRS’s farming operations.

Other income, which is comprised primarily of interest income recognized on the Company’s cash balances for the year and the sale of easements and rights-of-way, decreased by $0.1 million, or 32.5%, for the year ended December 31, 2018, as compared to 2017 as a result of a decrease in cash held by the Company.

During the year ended December 31, 2018 the Company completed five dispositions in Texas, Illinois and Louisiana. Cash receipts on sale totaled $31.9 million with a total gain recorded of $3.1 million. The company also recorded a $0.2 million loss on disposition of other assets. During the year ended December 31, 2017 the Company did not dispose of any farms, the dispositions made related to various farm equipment on existing properties.

Interest expense increased by $5.2 million or 38.6%, for the year ended December 31, 2018, as compared to the year ended December 31, 2017. Interest expense increased as the result of an increase in our outstanding borrowings during 2018, which were $525.3 million as of December 31, 2018 and $515.8 million for the comparative period in 2017. We recognized increased interest expense of approximately $5.0 million during 2018 as a result of both increased interest rates and $21.0 million of new loans entered into during 2018. Additionally, we recognized a full year of interest expense in 2018 related to the $287.2 million worth of loans entered into throughout 2017.

Comparison of the year ended December 31, 2017 to the year ended December 31, 2016

($ in thousands)	For the Years Ended December 31, 2017	2016	$ Change	% Change
OPERATING REVENUES:				
Rental income	$ 42,956	$ 29,668	$ 13,288	44.8 %
Tenant reimbursements	1,909	263	1,646	625.9 %
Crop Sales	799	846	(47)	(5.6)%
Other revenue	555	224	331	147.8 %
Total operating revenues	46,219	31,001	15,218	49.1 %
OPERATING EXPENSES:				
Depreciation and depletion	7,792	1,554	6,238	401.4 %
Property operating expenses	5,897	2,379	3,518	147.9 %
Acquisition and due diligence costs	930	2,521	(1,591)	(63.1)%
General and administrative expenses	7,258	7,023	235	3.3 %
Legal and accounting	1,453	1,447	6	0.4 %
Other operating expenses	361	445	(84)	NM %
Total operating expenses	23,691	15,369	8,322	54.1 %
OPERATING INCOME	22,528	15,632	6,896	44.1 %
OTHER (INCOME) EXPENSE:				
Other income	(391)	(337)	(54)	16.0 %
Gain on sale of assets	200	—	200	NM %
Interest expense	13,561	9,959	3,602	36.2 %
Total other expense	13,370	9,622	3,748	39.0 %
Net income before income tax expense	9,158	6,010	3,148	52.4 %
Income tax expense	—	11	(11)	(100.0)%
NET INCOME (LOSS)	$ 9,158	$ 5,999	$ 3,159	52.7 %

NM = Not Meaningful

Our rental income for 2017 was impacted by the 24 acquisitions that took place in 2016, primarily in the fourth quarter, in addition to the 19 acquisitions that took place throughout 2017. To highlight the effect of changes due to acquisitions, we have separately discussed the rental income for the same-property portfolio, which includes only properties owned and operated for the entirety of both periods presented, excluding properties that generated one-time revenues such as termination fees. Due to the timing of the Company's acquisitions of speciality crop farms, the same property portfolio consists almost exclusively of row crop farms. Total rental income under leases for the same-property portfolio decreased 0.9 million, or 8%, from $10.6 million for the year ended December 31, 2016 to $9.7 million for the year ended December 31, 2017, due to generally flat to slightly lower rent on row crops in the periods compared.

Total rental income increased $13.3 million, or 44.8%, for the year ended December 31, 2017 as compared to the prior year. This increase was the result of the 43 acquisitions completed during the years ended December 31, 2017 and 2016 and payments received in connection with the the early termination of certain leases in December 2016. As part of the lease termination, the Company recognized $3.7 million due to cash received under the contract greater than rental income previously recognized and $2.8 million in early termination fees.

Leases in place in 2017 that provide for tenant payment of property taxes required the tenant to reimburse us for the tax amount we paid in 2017 for the 2016 taxable year. Due to changes in terms of lease renewals during 2017, the addition of permanent crop properties and certain outstanding leases, tenant reimbursements increased $1.6 million, or 625.9%, in 2017, as compared to 2016.

Crop sales decreased $0.05 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. During 2017 the Company only included two permanent crop development properties that were acquired as part of the AFCO Mergers within the TRS. In 2016, 2,605 acres of row crop properties were operated by the TRS; however, in 2017 all of these properties operated by the TRS in 2016 were leased to third party farmers. The TRS was formed in March 2015 with the sales recognized in the first quarter of 2016 representing the first revenues generated by the entity.

Other revenue increased $0.3 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. Other income recognized in 2017 consisted of $0.6 million earned on interest and amortization net of loan fees. The increase resulted from the increase in loans issued and outstanding under the FPI Loan Program.

Depreciation, depletion and amortization expense increased $6.2 million, or 401.4%, for the year ended December 31, 2017, as compared to the year ended December 31, 2016. The increase is the result of acquiring or constructing $102.0 million in depreciable assets, net of disposals throughout 2017.

Property operating expenses increased $3.5 million or 147.9%, for the year ended December 31, 2017, as compared to the year ended December 31, 2016, of which $2.2 million is attributable to an increase in property taxes as a result of 18 asset acquisitions and one business combination completed in 2017 and $0.4 million is attributable to an increase in bad debt expense. The increase in property operating expenses also includes an increase in expense relating to the Prudential Agreements assumed in the AFCO Mergers and subsequently terminated as of March 31, 2017, totaling $0.7 million compared to no such costs in the same period in 2016. The increase also included a $0.2 million increase in a variety of other property operating costs such as repairs and maintenance, state and franchise taxes and other miscellaneous items, also driven by the acquisitions completed during the year.

Acquisition and due diligence costs totaled $0.9 million for the year ended December 31, 2017 as compared to $2.5 million recognized in the year ended December 31, 2016. Approximately $2.4 million of acquisition and due diligence costs related to the AFCO Mergers were recognized in 2016, which we did not incur in the year ended December 31, 2017.

General and administrative expenses increased $0.2 million, or 3.3%, for the year ended December 31, 2017, as compared to the year ended December 31, 2016. The increase in general and administrative expenses was primarily attributable to increased costs related to the continued growth of our portfolio. During the year ended December 31, 2017, employee compensation expenses increased $0.2 million, as compared with the same period in 2016, due to an increase in the stock based compensation expense. During 2017, our public company costs increased $0.2 million due to increased investor relations, regulatory and compliance activity, directors and officers insurance and conference attendance. We also had a $0.1 million decrease in travel, a $0.2 million decrease in consulting and conference expenses and an increase in office rent expense of $0.1 million in the year ended December 31, 2017 as compared to the prior year.

Other operating expenses totaled $0.4 million during the year ended December 31, 2017 and $0.4 million in 2016. Other operating expenses for both periods relate to the cost of crop sales from our TRS's farming operations.

Other income, which is comprised primarily of interest income recognized on the Company's cash balances for the year and the sale of easements and rights-of-way, increased by $0.1 million, or 16.0%, for the year ended December 31, 2017, as compared to 2016.

Interest expense increased by $3.6 million or 36.2%, for the year ended December 31, 2017, as compared to the year ended December 31, 2016. Interest expense increased as the result of an increase in our outstanding borrowings during 2017, which were $515.8 million as of December 31, 2017 and $309.9 million for the comparative period in 2016. We recognized additional interest expense of approximately $2.4 million during 2016 related to interest and amortization of deferred loan fees associated with a $53.0 million bridge loan (the "Bridge Loan") , entered into on February 29, 2016 by two wholly owned subsidiaries of the Operating Partnership (together, the "Bridge Borrower") and MSD FPI Partners, LLC, an affiliate of MSD Partners, L.P. , and all costs related to the Bridge Loan were both incurred and amortized during 2016. The increase in interest expense was offset by the fact that we did not have any short term financing arrangements like the Bridge Loan during the year ended December 31, 2017.

Liquidity and Capital Resources

Overview

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay any outstanding borrowings, fund and maintain our assets and operations, make distributions to our stockholders and to Common unitholders, and other general business needs.

Our short-term liquidity requirements consist primarily of funds necessary to acquire additional farmland, pay legal fees in relation to the Rota Fortunae litigation in excess of the Company's insurance coverage, make other investments consistent with our investment strategy, make principal and interest payments on outstanding borrowings, make distributions on our Series A preferred units and Series B Participating Preferred Stock and make distributions necessary to qualify for taxation as a REIT and fund our operations. Our sources of funds primarily will be cash on hand, operating cash flows and borrowings from prospective lenders.

In addition to utilizing current and any future available borrowings, we entered into equity distribution agreements on September 15, 2015 in connection with the ATM Program, under which the Company has issued and sold from time to time, through the sales agents, shares of our common stock having an aggregate gross sales price of up to $25 million. Through December 31, 2018 the Company has generated $11.1 million in net cash proceeds under the ATM Program is intended to provide cost-effective financing alternatives in the capital markets and we intend to use the net proceeds from the ATM Program, if any, for future farmland acquisitions in accordance with our investment strategy and for general corporate purposes. We only intend to utilize the ATM Program if the market price of our common stock reaches levels which are deemed appropriate by our Board of Directors.

Our long-term liquidity needs consist primarily of funds necessary to acquire additional farmland, make other investments and certain long-term capital expenditures, make principal and interest payments on outstanding borrowings, and make distributions necessary to qualify for taxation as a REIT. In light of the level at which our common stock has traded in recent months, we have not been able to access the equity capital markets in order to fund our liquidity needs and we will not be able to do so unless and until our stock price recovers significantly. Furthermore, because of the trading price of our common stock, we have been unable to fund acquisitions of farmland with Common units. We expect to meet our long-term liquidity requirements through various sources of capital, including net cash provided by operations, long-term mortgage indebtedness and other secured and unsecured borrowings, asset dispositions and, if our stock price recovers, future equity issuance (including issuances of Common units).

Our ability to incur additional debt will depend on a number of factors, including our degree of leverage, the value of our unencumbered assets, compliance with the covenants under our existing debt agreements, borrowing restrictions that may be imposed by lenders and the conditions of debt markets. Our ability to access the equity capital markets will depend on a number of factors as well, including general market conditions for REITs and market perceptions about us.

Consolidated Indebtedness

For further details relating to our consolidated indebtness refer to "– Recent Developments – Financing Activity" and Note 7 – Mortgage Notes, Line of Credit and Bonds Payable included in the financial statement section of this Annual Report on Form 10-K.

Sources and Uses of Cash

The following table summarizes our cash flows for the years ended December 31, 2018, 2017 and 2016:

	For the year ended December 31,		
($ in thousands)	**2018**	**2017**	**2016**
Net cash provided by operating activities	$ 20,003	$ 929	$ 5,041
Net cash used in investing activities	$ (15,864)	$ (234,107)	$ (137,396)
Net cash provided by (used in) financing activities	$ (40,784)	$ 239,548	$ 156,007

Comparison of the year ended December 31, 2018 to the year ended December 31, 2017

As of December 31, 2018, we had $16.9 million of cash and cash equivalents compared to $53.5 million at December 31, 2017.

Cash Flows from Operating Activities

Net cash provided by operating activities increased $19.1 million, primarily as a result of the following:

- Decrease in accrued expenses of $17.4 million in 2018 as compared to the same period of 2017;
- Increase in net income of $5.0 million in 2018 as compared to the same period in 2017;
- A decrease in gain on disposition of assets of $3.1 million as compared to the same period in 2017 and
- A decrease in deferred revenue of $1.6 million from 2017 to 2018

Cash Flows from Investing Activities

Net cash used for investing activities decreased $218.2 million primarily as a result of the following:

- Completing six asset acquisitions in 2018 for aggregate cash consideration of $33.2 million, as compared to 19 acquisitions for aggregate cash consideration of $206.2 million in 2017;
- Investment of $18.1 million for real estate improvements during the year ended December 31, 2018, as compared to $21.6 million in 2017;
- Receiving $31.9 million from the sale of property in 2018 compared to $0.0 million in 2017: and
- Decrease of $0.2 million in casualty loss insurance proceeds for the twelve months ended December 31, 2018.

Cash Flows from Financing Activities

Net cash provided by financing activities decreased $280.3 million primarily as a result of the following:

- Borrowings from mortgage notes payable of $21.0 million during the twelve months ended December 31, 2018, as compared to borrowings of $212.2 million in the twelve months ended December 31, 2017;
- Debt repayments of $11.5 million during 2018, as compared to $81.2 million in 2017;
- Repurchase of $20.6 million in common stock during 2018 compared to $10.0 million in 2017;
- Proceeds from the issuance of Series B Participating Preferred Stock of $0.0 million during the year, compared to proceeds from an equity offering of $144.5 million during 2017;
- Dividend payments of $9.1 million to Series B Participating Preferred Stockholders made in 2018, compared to $3.3 million during 2017;
- Dividend payments of $3.5 million to Series A Preferred Unit holders made in 2018, compared to $3.5 million during 2017; and
- Distributions of $1.9 million to holders of Common Units (other than the Company) in 2018 compared to $3.1 million in 2017.

Comparison of the year ended December 31, 2017 to the year ended December 31, 2016

As of December 31, 2017, we had $53.5 million of cash and cash equivalents compared to $47.2 million at December 31, 2016.

Cash Flows from Operating Activities

Net cash provided by operating activities decreased $4.1 million, primarily as a result of the following:

- Receipt of $37.2 million in cash rents for the twelve months ended December 31, 2017, as compared to receiving $22.7 million in cash rents in the same period of 2016;

- Increase of $3.6 million in other operating expenses;
- An increase in cash paid for interest of $3.0 million for the twelve months ended December 31, 2017 as compared to the same period of 2016; and
- An decrease in working capital of $12.0 million due to acquired liabilities from the AFCO Mergers.

Cash Flows from Investing Activities

Net cash used for investing activities increased $96.7 million primarily as a result of the following:

- Completing 18 acquisitions and one business combination in 2017 for aggregate cash consideration of $206.2 million, as compared to $131.8 million in aggregate cash consideration for 24 acquisitions in 2016;
- Investment of $21.6 million for real estate improvements during the year ended December 31, 2017, as compared to $5.7 million in 2016;
- Funding of $6.6 million in notes receivable for the twelve months ended December 31, 2017; and
- Receipt of $0.2 million in casualty loss insurance proceeds for the twelve months ended December 31, 2017.

Cash Flows from Financing Activities

Net cash provided by financing activities increased $83.5 million primarily as a result of the following:

- Borrowings from mortgage notes payable of $212.2 million during the twelve months ended December 31, 2017, as compared to borrowings of $207.4 million in the twelve months ended December 31, 2016 ;
- Debt repayments of $81.3 million during 2017, as compared to $84.8 million in 2016;
- Repurchase of $10.0 million in common stock during the year ;
- Proceeds from the issuance of Series B Participating Preferred Stock of $144.5 million during the year, compared to proceeds from an equity offering of $33.3 million during 2016 ;
- No proceeds from the ATM program during 2017 compared to receipts of $11.1 million under the ATM Program period ended December 31, 2016;
- Aggregate dividend and distribution payments of $17.8 million to common stockholders and Common unitholders made in 2017, compared to aggregate dividends payments and net distributions to members of $9.4 million during 2016 ;
- Dividend payments of $2.9 million to Series A preferred unit holders made in 2017, compared to no dividends payments during 2016 ;
- Dividend payments of $3.3 million to Series B Participating Preferred Stockholders made in 2017, compared to no dividends payments during 2016 ;
- Payments of $0.6 million in offering costs made during 2017, as compared to $0.4 million in payments during 2016; and
- Payments of $1.2 million in financing fees made during 2017, as compared to $1.1 million in payments during 2016.

Contractual Obligations

The following table sets forth our contractual obligations and commitments as of December 31, 2018:

($ in thousands)	Payments Due by Period				
Contractual Obligations	**2019**	**2020-2022**	**2023-2025**	**2026 & beyond**	**Total**
Principal Payments of Long-Term Indebtedness	$ 5,418	$ 161,123	$ 34,237	$ 324,547	$ 525,325
Interest Payments on					
Fixed-Rate Long-Term Indebtedness	11,911	31,461	30,092	38,604	112,068
Variable-Rate Long-Term Indebtedness	6,874	16,565	7,855	5,525	36,819
Commitment on Mortgage Note Receivable	-	-	-	-	-
Lease Payments	74	-	-	-	74
Capital Commitments	-	-	-	-	-
Total	$ 24,277	$ 209,149	$ 72,184	$ 368,676	$ 674,286

(1) Variable rate long-term indebtedness has been determined for purposes of this table based upon the balance and interest rates in place as of December 31, 2018.

Off-Balance Sheet Arrangements

As of December 31, 2018, we did not have any off-balance sheet arrangements.

Non-GAAP Financial Measures

Funds from Operations ("FFO") and Adjusted Funds from Operations ("AFFO")

We calculate FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, plus real estate related depreciation, depletion and amortization (excluding amortization of deferred financing costs), and after adjustments for unconsolidated partnerships and joint ventures. FFO is a supplemental non-GAAP financial measure. Management presents FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring our operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from sales of depreciable operating properties, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs.

However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures necessary to maintain the operating performance of improvements on our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

We do not, however, believe that FFO is the only measure of the sustainability of our operating performance. Changes in GAAP accounting and reporting rules that were put in effect after the establishment of NAREIT's definition of FFO in 1999 result in the inclusion of a number of items in FFO that do not correlate with the sustainability of our operating performance. Therefore, in addition to FFO, we present AFFO and AFFO per share, fully diluted, both of which are non-GAAP measures. Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of our operating performance. Even AFFO, however, does not properly capture the timing of cash receipts, especially in connection with full-year rent payments under lease

agreements entered into in connection with newly acquired farms. Management considers AFFO per share, fully diluted to be a supplemental metric to GAAP earnings per share. AFFO per share, fully diluted provides additional insight into how our operating performance could be allocated to potential shares outstanding at a specific point in time. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess our performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and AFFO per share, fully diluted and, accordingly, our AFFO and AFFO per share, fully diluted may not always be comparable to AFFO and AFFO per share amounts calculated by other REITs. AFFO and AFFO per share, fully diluted should not be considered as an alternative to net income (loss) or earnings per share (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to net income (loss) earnings per share (determined in accordance with GAAP) as a measure of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to make distributions.

AFFO is calculated by adjusting FFO to exclude or include the income and expenses that we believe are not reflective of the sustainability of our ongoing operating performance, as further explained below:

- *Real estate related acquisition and due diligence costs.* Acquisition (including audit fees associated with these acquisitions) and due diligence costs are incurred for investment purposes and therefore, do not correlate with the ongoing operations of our portfolio. We believe that excluding these costs from AFFO provides useful supplemental information reflective of the realized economic impact of our leases, which is useful in assessing the sustainability of our operating performance. Acquisition and due diligence costs totaled $0.1 million, $0.9 million and $2.5 million for the years ended December 31, 2018, 2017 and 2016, respectively. Real estate related acquisition and due diligence costs for the year ended December 31, 2016 included $2.3 million in interest and loan fees associated with the short-term Bridge Loan and the Forsythe acquisition and as the interest and fees are a non-recurring item they have been excluded from the AFFO calculation. A portion of the audit fees we incur are directly related to acquisitions, which varies with the number and complexity of the acquisitions we evaluate and complete in a given period. As such, these costs do not correlate with the ongoing operations of our portfolio. Total acquisition related audit fees excluded from AFFO totaled $0.0 million, $0.2 million and $0.2 million for the years ended December 31, 2018, 2017 and 2016, respectively. Also included in real estate related acquisition and due diligence costs for the year ended December 31, 2017 is $0.7 million in fees paid to the Prudential Sub-Advisor following the completion of the AFCO Mergers, including a $0.2 million termination fee. We believe that excluding these costs from AFFO provides useful supplemental information reflective of the realized economic impact of our current acquisition strategy, which is useful in assessing the sustainability of our operating performance. These exclusions also improves comparability of our results over each reporting period and of our Company with other real estate operators.

- *Stock based compensation.* Stock based compensation is a non-cash expense and therefore, does not correlate with the ongoing operations. We believe that excluding these costs from AFFO improves comparability of our results over each reporting period and of our Company with other real estate operators.

- *Indirect offering costs.* Indirect offering costs are fees for services incurred by the Company to grow and maintain an active institutional investor presence. As we continue to acquire more farms, our ability to access capital through the equity markets will remain a critical component of our growth strategy. As of September 30, 2015, we began excluding indirect offering costs from AFFO as we believe it improves comparability of our results over each reporting period and of our Company with other real estate operators. Prior to this date the company did not incur indirect offering costs.

- *Distributions on Series A preferred units* . Dividends on Series A preferred units, which are convertible into Common units on or after March 2, 2026, have a fixed and certain impact on our cash flow, thus they are subtracted from FFO. We believe this improves comparability of our Company with other real estate operators.

- *Dividends on Series B Participating Preferred Stock* . Dividends on Series B Participating Preferred Stock, which may be redeemed for cash or converted into shares of common stock on or after September 30, 2021, have a fixed and certain impact on our cash flow, thus they are subtracted from FFO. We believe this improves comparability of our Company with other real estate operators.

- *Common shares fully diluted.* In accordance with GAAP, common shares used to calculate earnings per share are presented on a weighted average basis. Common shares on a fully diluted basis includes shares of common stock, Common units, redeemable Common units and unvested restricted stock outstanding at the end of the period on a share equivalent basis, because all shares are participating securities and thus share in the performance of the Company. The conversion of Series A preferred units is excluded from the calculation of common shares fully diluted as they are not participating securities, thus don't share in the performance of the Company and their impact on shares outstanding is uncertain.

The following table sets forth a reconciliation of net income (loss) to FFO, AFFO and net income available to common stockholders per share to AFFO per share, fully diluted, the most directly comparable GAAP equivalents, respectively, for the periods indicated below (unaudited):

	For the year ended December 31,		
($ in thousands)	**2018**	**2017**	**2016**
Net income (loss)	$ 14,040	$ 9,158	$ 5,999
(Gain) loss on disposition of assets	(2,882)	200	—
Depreciation and depletion	8,544	7,792	1,554
FFO	19,702	17,150	7,553
Stock based compensation	1,653	1,409	1,224
Indirect equity offering costs	—	—	88
Real estate related acquisition and due diligence costs	181	1,811	5,061
Distributions on preferred units	(12,563)	(6,856)	(2,915)
AFFO	$ 8,973	$ 13,514	$ 11,011
AFFO per diluted weighted average share data:			
AFFO weighted average common shares	37,083	37,358	19,107
Net income (loss) available to common stockholders	$ (0.01)	$ 0.03	0.09
Income available to redeemable non-controlling interest and non-controlling interest in operating partnership	0.39	0.21	0.24
Depreciation and depletion	0.23	0.21	0.08
Stock based compensation	0.04	0.04	0.06
(Gain) loss on disposition of assets	(0.08)	—	—
Real estate related acquisition and due diligence costs	0.01	0.05	0.26
Distributions on preferred units	(0.34)	(0.18)	(0.15)
AFFO per diluted weighted average share	$ 0.24	$ 0.36	0.58

The following table sets forth a reconciliation of AFFO share information to basic weighted average common shares outstanding, the most directly comparable GAAP equivalent, for the periods indicated below (unaudited):

	For the year ended December 31,		
($ in thousands)	**2018**	**2017**	**2016**
Basic weighted average shares outstanding	32,162	31,210	13,204
Weighted average OP units on an as if converted basis	4,610	5,870	5,362
Weighted average unvested restricted stock	311	278	188
Weighted average redeemable non-controlling interest	—	—	353
AFFO weighted average common shares	37,083	37,358	19,107

As of December 31, 2018, 2017 and 2016 we had 35,176,571, 38,074,221 and 23,043,318 shares of common stock and Common units outstanding on a fully diluted basis, respectively.

EBITDAre

The Company calculates Earnings Before Interest Taxes Depreciation and Amortization for real estate ("EBITDAre") in accordance with the standards established by NAREIT in its September 2017 White Paper. NAREIT defines EBITDAre as net income (calculated in accordance with GAAP) excluding interest expense, income tax, depreciation and amortization, gains or losses on disposition of depreciated property (including gains or losses on change of control),

impairment write-downs of depreciated property and of investments in unconsolidated affiliates caused by a decrease in value of depreciated property in the affiliate, and adjustments to reflect the entity's pro rata share of EBITDAre of unconsolidated affiliates. EBITDAre is a key financial measure used to evaluate the Company's operating performance but should not be construed as an alternative to operating income, cash flows from operating activities or net income, in each case as determined in accordance with GAAP. The Company believes that EBITDAre is a useful performance measure commonly reported and will be widely used by analysts and investors in the Company's industry. However, while EBITDAre is a performance measure widely used across the Company's industry, the Company does not believe that it correctly captures the Company's business operating performance because it includes non-cash expenses and recurring adjustments that are necessary to better understand the Company's business operating performance. Therefore, in addition to EBITDAre, management uses Adjusted EBITDAre, a non-GAAP measure.

We further adjust EBITDAre for certain additional items such as stock based compensation, indirect offering costs, real estate acquisition related audit fees and real estate related acquisition and due diligence costs (for a full discussion of these adjustments, see AFFO adjustments discussed above) that we consider necessary to understand our operating performance. We believe that Adjusted EBITDAre provides useful supplemental information to investors regarding our ongoing operating performance that, when considered with net income and EBITDAre, is beneficial to an investor's understanding of our operating performance.

EBITDAre and Adjusted EBITDAre have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are :

- EBITDAre and Adjusted EBITDAre do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDAre and Adjusted EBITDAre do not reflect changes in, or cash requirements for, our working capital needs;
- EBITDAre and Adjusted EBITDAre do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDAre and Adjusted EBITDAre do not reflect any cash requirements for these replacements; and
- Other companies in our industry may calculate EBITDAre and Adjusted EBITDAre differently than we do, limiting the usefulness as a comparative measure.

Because of these limitations, EBITDAre and Adjusted EBITDAre should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results of operations and using EBITDAre and Adjusted EBITDAre only as a supplemental measure of our performance.

The following table sets forth a reconciliation of our net income to our EBITDAre and Adjusted EBITDAre for the periods indicated below (unaudited):

	For the year ended December 31,		
($ in thousands)	**2018**	**2017**	**2016**
Net income (loss)	$ 14,040	$ 9,158	$ 5,999
Interest expense	18,799	13,561	9,959
Income tax expense	—	—	11
Depreciation and depletion	8,544	7,792	1,554
(Gain) loss on disposition of assets	(2,882)	200	—
EBITDAre	$ 38,501	$ 30,711	$ 17,523
Stock based compensation	1,653	1,409	1,224
Indirect equity offering costs	—	—	88
Real estate related acquisition and due diligence costs	181	1,811	2,789
Adjusted EBITDAre	$ 40,335	$ 33,931	$ 21,624

Inflation

Most of our farming leases are two to three years for row crops and one to seven years for permanent crops, pursuant to which each tenant is responsible for substantially all of the operating expenses related to the property, including maintenance, water usage and insurance. As a result, we believe that the effect on us of inflationary increases in operating expenses may be offset in part by the operating expenses that are passed through to our tenants and by contractual rent increases because our leases will be renegotiated every one to five years. We do not believe that inflation has had a material impact on our historical financial position or results of operations.

Seasonality

Because the leases for a many of the properties in our portfolio require significant payments in advance of the spring planting season, we receive a significant portion of our cash rental payments in the first calendar quarter of each year, although we recognize rental revenue from these leases on a pro rata basis over the non-cancellable term of the lease in accordance with GAAP.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. In pursuing our business strategies, the primary market risk to which we are exposed is interest rate risk. Our primary interest rate exposure will be the daily LIBOR. We may use fixed interest rate financing to manage our exposure to fluctuations in interest rates. On a limited basis, we also may use derivative financial instruments to manage interest rate risk. We will not use such derivatives for trading or other speculative purposes.

At December 31, 2018, $181.4 million, or 35%, of our debt had variable interest rates. Assuming no increase in the level of our variable rate debt, if interest rates increased by 1.0%, or 100 basis points, our cash flow would decrease by approximately $1.8 million per year. At December 31, 2018, LIBOR was approximately 233 basis points. Assuming no increase in the level of our variable rate debt, if LIBOR were reduced to 0 basis points, our cash flow would increase by approximately $4.3 million per year.

Item 8. Financial Statements and Supplementar y Data

Our consolidated financial statements and supplementary data are included as a separate section of this Annual Report on Form 10-K commencing on page F-1 and are incorporated herein by reference.

Item 9. Changes and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedure s

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

We have evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable level of assurance as of the end of the period covered by this report.

Limitations on the Effectiveness of Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management's Annual Report on Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2018 based on the 2013 framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, the Company's management concluded that our internal control over financial reporting was effective as of December 31, 2018.

Attestation Report of Independent Registered Public Accounting Firm

Not applicable.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2019 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2019.

Item 11. Executive Compensation

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2019 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2019.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2019 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2019.

Item 13. Certain Relationships and Related Transaction s, and Director Independence

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2019 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2019.

Item 14. Principal Accountant Fees and Services

This information is incorporated by reference from the Company's Proxy Statement with respect to the 2019 Annual Meeting of Stockholders to be filed with the SEC no later than April 30, 2019.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following is a list of documents filed as a part of this report:

(1) Financial Statements

Included herein at pages F-1 through F-39.

(2) Financial Statement Schedules

The following financial statement schedule is included herein at pages F-40 through F-47:

Schedule III—Combined Real Estate and Accumulated Depreciation

All other schedules for which provision is made in Regulation S-X are either not required to be included herein under the related instructions, are inapplicable or the related information is included in the footnotes to the applicable financial statement and, therefore, have been omitted.

(3) Exhibits

The exhibits required to be filed by Item 601 of Regulation S-K are listed in the Exhibit Index on pages 66, 67 and 68 of this report, which is incorporated by reference herein.

Item 16. Form 10-K Summary

The Company has elected to not include a summary.

Exhibit Index

Exhibit No	Description of Exhibit
3.1	Articles of Amendment and Restatement. (Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-11/A, filed on March 24, 2014)
3.2	Articles Supplementary for Farmland Partners Inc. 6.00% Series B Participating Preferred Stock (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on August 16, 2017).
3.3	Second Amended and Restated Bylaws. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on November 14, 2017)
4.1	Form of common stock certificate (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11/A, filed on March 11, 2014)
4.2	Form of Specimen Stock Certificate of 6.00% Series B Participating Preferred Stock (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A, filed on August 16 – 2017)
10.1	Second Amended and Restated Agreement of Limited Partnership of Farmland Partners Operating Partnership, LP, dated April 16, 2014. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on April 16, 2014)
10.2†	Farmland Partners Inc. Second Amended and Restated 2014 Equity Incentive Plan. (Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-8, filed on May 5, 2015)
10.3†	Form of Restricted Stock Award Agreement for Executive Officers. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on March 9, 2018)
10.4†	Form of Restricted Stock Award Agreement for Directors. (Incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-11/A, filed on March 11, 2014)
10.5*	Indemnification Agreement by and between Farmland Partners Inc. and each of its directors and officers listed on Schedule A thereto.
10.6*†	Amended and Restated Employment Agreement, dated December 13, 2018, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Paul A. Pittman.
10.7*†	Amended and Restated Employment Agreement, dated December 13, 2018, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Luca Fabbri.
10.10	Amended and Restated Pledge and Security Agreement, dated as of March 1, 2015, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, Farmer Mac Mortgage Securities Corporation and Federal Agricultural Mortgage Corporation. (Incorporated by Reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 5, 2015)
10.11	Amended and Restated Bond Purchase Agreement, dated as of March 1, 2015, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, Farmer Mac Mortgage Securities Corporation and Federal Agricultural Mortgage Corporation. (Incorporated by Reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 5, 2015)
10.12	Amendment No. 1 to the Amended and Restated Bond Purchase Agreement, dated as of June 2, 2015, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, Farmer Mac Mortgage Securities Corporation and Federal Agricultural Mortgage Corporation. (Incorporated by Reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 5, 2015)
10.13	Amendment No. 2 to the Amended and Restated Bond Purchase Agreement, dated as of August 3, 2015. (Incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K filed on February 23, 2017)
10.14	Amendment No.1 to the Second Amended and Restated Agreement of Limited Partnership of Farmland Partners Operating Partnership, LP (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 3, 2016)
10.15	Security Holder's Agreement, dated as of March 2, 2016, by and among Forsythe Family Farms, Inc., Gerald R. Forsythe, Forsythe-Fournier Farms, LLC, Forsythe-Fawcett Farms, LLC, Forsythe-Bernadette Farms, LLC, Forsythe Land Company, Forsythe Family Farms, L.P., Forsythe Family Farms II, L.P., and Forsythe-Breslow Farms, LLC and Farmland Partners Inc. (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on March 3, 2016)

10.16	Amendment No. 1 to the Contribution Agreement, dated February 22, 2016, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP, FPI Illinois I LLC, and FPI Illinois II, LLC and Forsythe Family Farms, Inc., Gerald R. Forsythe, Forsythe-Fournier Farms, LLC, Forsythe-Fawcett Farms, LLC, Forsythe-Bernadette Farms, LLC, Forsythe Land Company, Forsythe Family Farms, L.P., Forsythe Family Farms II, L.P., and Forsythe-Breslow Farms, LLC. (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2016)
10.20	Loan Agreement, dated as of March 29, 2016, between FPI Illinois I LLC, FPI Illinois II LLC, Cottonwood Valley Land LLC, PH Farms LLC and FPI Properties LLC and Metropolitan Life Insurance Company. (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2016)
10.21	Guaranty, dated as of March 29, 2016, by Farmland Partners Operating Partnership, LP in favor of Metropolitan Life Insurance Company. (Incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on May 10, 2016)
10.22	Amended and Restated Employment Agreement, dated as of November 15, 2016, by and among Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Erica Borenstein. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 12, 2019)
10.23	Registration Rights Agreement, dated as of February 2, 2017, by and between Farmland Partneres Inc. and each of the holders named therein. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.24	Amended and Restated Sub-Advisory Agreement, by and among American Farmland Company, American Farmland Company L.P., American Farmland Advisor LLC and Prudential Mortgage Capital Company, LLC. (Incorporated by reference to Exhibit 10.7 to American Farmland Company's Registration Statement on Form S-11 (File No. 333-205260) filed on June 26, 2015)
10.25	Loan Agreement, dated as of December 5, 2013, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.28 to American Farmland Company's Annual Report on Form 10-K filed on March 30, 2016)
10.26	Loan Agreement, dated as of January 14, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.29 to American Farmland Company's Annual Report on Form 10-K filed on March 30, 2016)
10.27	Loan Agreement, dated as of August 18, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.30 to American Farmland Company's Annual Report on Form 10-K filed on March 30, 2016)
10.28	Loan Agreement, dated as of December 22, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.1 to American Farmland Company's Current Report on Form 8-K filed on December 29, 2015)
10.29	Amendment to Loan Agreements, dated as of December 22, 2015, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.2 to American Farmland Company's Current Report on Form 8-K filed on December 29, 2015)
10.30	Second Amendment to Loan Agreements, dated as of February 3, 2017, by and between American Farmland Company L.P. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.31	Guaranty, dated as of February 3, 2017, by and between Farmland Partners Inc. and Ruledge Investment Company. (Incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.32	Guaranty, dated as of February 3, 2017, by and between Farmland Partners Operating Partnership, LP and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.33	Loan Agreement, dated as of February 3, 2017, by and between American Farmland Company L.P and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.11 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.34	Guaranty, dated as of February 3, 2017, by and between Farmland Partners Inc. and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.12 to the Company's Current Report on Form 8-K filed on February 3, 2017)

10.35	Guaranty, dated as of February 3, 2017, by and between Farmland Partners Operating Partnership, LP and Rutledge Investment Company. (Incorporated by reference to Exhibit 10.13 to the Company's Current Report on Form 8-K filed on February 3, 2017)
10.36	Termination Agreement, dated as of February 18, 2017, by and between Farmland Partners Inc., PGIM Real Estate Finance, LLC and Capital Agricultural Property Services, Inc. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 4, 2017)
10.37	Second Amended and Restated Farmland Partners Inc. 2014 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8 filed on May 4, 2017)
10.38	Amendment No. 2 to the Second Amended and Restated Partnership Agreement of Farmland Partners Operating Partnership, LP (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 16, 2017)
10.39	Purchase Agreement, dated as of September 22, 2017, by and between Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Olam International (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 9, 2017).
10.40*	Lease Agreement, dated November 30, 2017, by and between Arnold (CA) LLC and Olam Farming, Inc.
10.41	Separation Agreement, dated April 10, 2018, by and between Farmland Partners Inc., Farmland Partners Operating Partnership, LP and Robert L. Cowan. (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 13, 2018).
16.1	Letter of PricewaterhouseCoopers LLP to the Securities and Exchange Commission dated March 12, 2018. (Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed on March 12, 2018).
16.2	Letter of Concurrence from EKS&H LLLP, dated October 4, 2018. (Incorporated by reference to the Company's Current Report on Form 8-K filed on October 4, 2018).
21.1*	List of subsidiaries.
23.1*	Consent of Plante Moran, PLLC.
23.2*	Consent of PricewaterhouseCoopers, LLP
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*

* Filed herewith
† Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 14, 2019

FARMLAND PARTNERS INC.

By: /s/ Paul A. Pittman
Paul A. Pittman
Executive Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Paul A. Pittman Paul A. Pittman	Executive Chairman, President and Chief Executive Officer (principal executive officer)	March 14, 2019
/s/ Luca Fabbri Luca Fabbri	Chief Financial Officer (principal financial officer and principal accounting officer)	March 14, 2019
/s/ Jay Bartels Jay Bartels	Director	March 14, 2019
/s/ Chris A. Downey Chris A. Downey	Director	March 14, 2019
/s/ Joseph W. Glauber Joseph W. Glauber	Director	March 14, 2019
/s/ John A. Good John A. Good	Director	March 14, 2019

Farmland Partners Inc.

FORM 10-K FOR THE YEAR ENDED
December 31, 2018

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Note: All other schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Farmland Partners, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Farmland Partners, Inc. (the "Company") as of December 31, 2018; the related consolidated statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2018; and the related notes and schedule (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2018, and the consolidated results of its operations and its cash flows for the year ended December 31, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Plante Moran LLP
Denver, Colorado
March 14, 2019
We have served as the Company's auditor since 2018.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Farmland Partners Inc.:

Opinion on the Financial Statements

We have audited the consolidated balance sheet of Farmland Partners Inc. and its subsidiaries (the "Company") as of December 31, 2017, and the related consolidated statements of operations, equity and cash flows for each of the two years in the period ended December 31, 2017, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
Denver, CO.
March 2, 2018

We served as the Company's auditor from 2013 to 2018.

Farmland Partners Inc.
Consolidated Balance Sheets
($ in thousands, except par value and share data)

	December 31, 2018	December 31, 2017
ASSETS		
Land, at cost	$ 957,516	947,899
Grain facilities	12,184	11,463
Groundwater	11,473	12,107
Irrigation improvements	53,458	51,678
Drainage improvements	12,271	9,964
Permanent plantings	52,989	52,870
Other	8,196	8,245
Construction in progress	10,262	8,137
Real estate, at cost	1,118,349	1,102,363
Less accumulated depreciation	(18,202)	(10,285)
Total real estate, net	1,100,147	1,092,078
Deposits	—	239
Cash	16,891	53,536
Notes and interest receivable, net	11,877	9,760
Deferred offering costs	218	292
Deferred financing fees, net	261	348
Accounts receivable, net (See Note 1)	6,136	6,650
Inventory	341	126
Prepaid expenses and other assets	3,638	3,057
TOTAL ASSETS	$ 1,139,509	$ 1,166,086
LIABILITIES AND EQUITY		
LIABILITIES		
Mortgage notes and bonds payable, net	$ 523,641	514,071
Dividends payable	1,681	4,847
Derivative liability	865	—
Accrued interest	4,296	3,193
Accrued property taxes	1,666	1,584
Deferred revenue (See Note 2)	238	3,907
Accrued expenses	3,581	2,800
Total liabilities	535,968	530,402
Commitments and contingencies (See Note 6 and Note 8)		
Series B Participating Preferred Stock, $0.01 par value, 100,000,000 shares authorized; 6,013,587 shares issued and outstanding at December 31, 2018, and 6,037,500 shares issued and outstanding at December 31, 2017	143,758	144,223
Redeemable non-controlling interest in operating partnership, preferred units	120,510	120,510
EQUITY		
Common stock, $0.01 par value, 500,000,000 shares authorized; 30,594,592 shares issued and outstanding at December 31, 2018, and 33,334,849 shares issued and outstanding at December 31, 2017	300	329
Additional paid in capital	332,996	350,147
Retained earnings	4,852	5,161
Cumulative dividends	(42,695)	(31,199)
Other comprehensive income	(865)	—
Non-controlling interests in operating partnership	44,685	46,513
Total equity	339,273	370,951
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTEREST IN OPERATING PARTNERSHIP AND EQUITY	$ 1,139,509	$ 1,166,086

See accompanying notes.

Farmland Partners Inc.
Consolidated Statements of Operation s
(in thousands, except per share amounts)

	For the Years Ended December 31, 2018	2017	2016
OPERATING REVENUES			
Rental income	$ 51,185	$ 42,956	$ 29,668
Tenant reimbursements	3,158	1,909	263
Crop Sales	410	799	846
Other revenue	1,316	555	224
Total operating revenues	56,069	46,219	31,001
OPERATING EXPENSES			
Depreciation and depletion	8,544	7,792	1,554
Property operating expenses	7,834	5,897	2,379
Acquisition and due diligence costs	180	930	2,521
General and administrative expenses	7,477	7,258	7,023
Legal and accounting	2,330	1,453	1,447
Other operating expenses	11	361	445
Total operating expenses	26,376	23,691	15,369
OPERATING INCOME	29,693	22,528	15,632
OTHER (INCOME) EXPENSE:			
Other income	(264)	(391)	(337)
(Gain) loss on disposition of assets	(2,882)	200	—
Interest expense	18,799	13,561	9,959
Total other expense	15,653	13,370	9,622
Net income before income tax expense	14,040	9,158	6,010
Income tax expense	—	—	11
NET INCOME	14,040	9,158	5,999
Net income attributable to non-controlling interest in operating partnership	(1,786)	(1,244)	(1,761)
Net income attributable to redeemable non-controlling interest in operating partnership	—	—	64
Net income attributable to the Company	$ 12,254	$ 7,914	$ 4,302
Nonforfeitable distributions allocated to unvested restricted shares	(111)	(151)	(96)
Distributions on redeemable non-controlling interests in operating partnership, common units	—	—	(113)
Distributions on redeemable non-controlling interests in operating partnership, preferred units	(12,563)	(6,856)	(2,915)
Net (loss) income available to common stockholders of Farmland Partners Inc.	$ (420)	$ 907	$ 1,178
Basic and diluted per common share data:			
Basic net (loss) income available to common stockholders	$ (0.01)	$ 0.03	0.09
Diluted net (loss) income available to common stockholders	$ (0.01)	$ 0.03	0.09
Distributions declared per common share	$ 0.3550	$ 0.5100	0.5100
Basic weighted average common shares outstanding	32,162	31,210	13,204
Diluted weighted average common shares outstanding	32,162	31,210	13,204

See accompanying notes.

Farmland Partners Inc.
Consolidated Statements of Equit y
(in thousands, except par value)

	Stockholders' Equity							
	Common Stock						Non-controlling	
	Shares	Par Value	Additional Paid-in Capital	Retained Earnings (Deficit)	Cumulative Dividends	Other Comprehensive Income	Interest in Operating Partnership	Total Equity
Balance at December 31, 2015	11,978	118	114,783	659	(7,188)	—	30,162	138,534
Net income	—	—	—	4,302	—	—	1,761	6,063
Proceeds from underwritten public offering, net of offering costs of $450 and underwriting discount of $1,569	3,100	31	32,823	—	—	—	—	32,854
Issuance of stock under the at-the-market offering, net of costs of $144	995	11	10,955	—	—	—	—	10,966
Grant of unvested restricted stock	119	—	—	—	—	—	—	—
Forfeiture of unvested restricted stock	(5)	—	(3)	—	—	—	—	(3)
Stock based compensation	—	—	1,228	—	—	—	—	1,228
Dividends accrued or paid	—	—	(2,057)	(858)	(7,285)	—	(2,958)	(13,158)
Issuance of common units as partial consideration for asset acquisition	—	—	—	—	—	—	29,592	29,592
Conversion of Common units to shares of common stock	1,164	12	10,946	—	—	—	(10,958)	—
Conversion of redeemable units to Common units	—	—	—	—	—	—	9,518	9,518
Adjustment to non-controlling interest resulting from changes in ownership of the Operating Partnership	—	—	3,425	—	—	—	(3,425)	—
Balance at December 31, 2016	17,351	172	172,100	4,103	(14,473)	—	53,692	215,594
Net income	—	—	—	7,914	—	—	1,244	9,158
Grant of unvested restricted stock	205	—	—	—	—	—	—	—
Costs incurred related to offerings	—	—	(120)	—	—	—	—	(120)
Conversion of Common units to shares of common stock	2,092	21	20,620	—	—	—	(20,641)	—
Stock based compensation	—	—	1,409	—	—	—	—	1,409
Dividends accrued or paid	—	—	—	(6,856)	(16,726)	—	(3,000)	(26,582)
Issuance of common stock as partial consideration for asset acquisition and business combination	14,815	148	168,835	—	—	—	—	168,983
Issuance of Common units as partial consideration for business combination	—	—	—	—	—	—	2,493	2,493
Issuance of Common units as partial consideration for asset acquisitions	—	—	—	—	—	—	10,033	10,033
Repurchase and cancellation of shares	(1,120)	(11)	(9,989)	—	—	—	—	(10,000)
Forfeiture of unvested restricted stock	(9)	(1)	(16)	—	—	—	—	(17)
Adjustment to non-controlling interest resulting from changes in ownership of the Operating Partnership	—	—	(2,692)	—	—	—	2,692	—
Balance at December 31, 2017	33,334	329	350,147	5,161	(31,199)	—	46,513	370,951
Net income	—	—	—	12,254	—	—	1,786	14,040
Costs in association with shelf offering, net of costs of $218	—	—	(218)	—	—	—	—	(218)
Grant of unvested restricted stock	162	—	—	—	—	—	—	—
Forfeiture of unvested restricted stock	(11)	(1)	(4)	—	—	—	—	(5)
Stock based compensation	—	—	1,653	—	—	—	—	1,653
Dividends accrued or paid	—	—	—	(12,563)	(11,496)	—	(1,627)	(25,686)
Conversion of common units to shares of common stock	157	2	1,542	—	—	—	(1,544)	—
Net change associated with current period hedging transactions						(865)		(865)
Repurchase and cancellation of shares	(3,048)	(30)	(20,567)	—	—	—	—	(20,597)
Adjustment to non-controlling interest resulting from changes in ownership of the Operating Partnership	—	—	443	—	—	—	(443)	—
Balance at December 31, 2018	30,594	$ 300	$ 332,996	$ 4,852	$ (42,695)	$ (865)	$ 44,685	$ 339,273

See accompanying notes.

Farmland Partners Inc.
Consolidated Statements of Cash Flow s
(in thousands)

	For the Years Ended December 31, 2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 14,040	$ 9,158	$ 5,999
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and depletion	8,544	7,792	1,554
Amortization of discounts/premiums on debt	353	227	236
Amortization of net origination fees related to notes receivable	(5)	(16)	(3)
Amortization of below market leases	—	—	(72)
Stock based compensation	1,649	1,392	1,224
(Gain) loss on disposition of assets	(2,882)	200	—
Bad debt expense	876	300	150
Changes in operating assets and liabilities:			
Increase in accounts receivable	(422)	(1,105)	(3,628)
Decrease (increase) in interest receivable	(484)	(331)	(79)
Increase in other assets	(1,029)	(892)	(306)
(Increase) decrease in inventory	(216)	257	(34)
Increase in accrued interest payable	1,103	1,655	856
(Increase) decrease in accrued expenses	2,139	(15,307)	2,598
(Decrease) in deferred revenue	(3,881)	(2,164)	(3,829)
(Increase) decrease in accrued property taxes	218	(237)	375
Net cash provided by operating activities	20,003	929	5,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Real estate acquisitions	(33,154)	(206,166)	(131,776)
Real estate improvements	(12,785)	(21,576)	(5,670)
Principal receipts on notes receivable	4,852	—	50
Issuance of notes receivable	(6,662)	(6,570)	—
Casualty loss insurance recovery	(8)	205	—
Proceeds from sale of property	31,893	—	—
Net cash used in investing activities	(15,864)	(234,107)	(137,396)
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings from mortgage notes payable	21,000	212,190	207,387
Repayments on mortgage notes payable	(11,508)	(81,219)	(84,750)
Proceeds from underwritten public offering	(157)	—	33,276
Proceeds from ATM offering	—	—	11,110
Common stock repurchased	(20,598)	(10,000)	—
Participating preferred stock repurchased	(465)	—	—
Payment of offering costs	—	(573)	(423)
Payment of debt issuance costs	(204)	(1,293)	(1,116)
Proceeds from issuance of Series B participating preferred shares	—	144,523	—
Dividends on common stock	(14,433)	(14,688)	(6,600)
Dividends on Series A preferred units	(3,510)	(2,915)	—
Dividends on Series B participating preferred stock	(9,053)	(3,346)	—
Distributions to non-controlling interest in operating partnership	(1,856)	(3,131)	(2,877)
Net cash provided by (used in) financing activities	(40,784)	239,548	156,007
NET (DECREASE) INCREASE IN CASH	(36,645)	6,370	23,652
CASH, BEGINNING OF PERIOD	53,536	47,166	23,514
CASH, END OF PERIOD	$ 16,891	$ 53,536	$ 47,166
Cash paid during period for interest	$ 17,037	$ 11,827	$ 8,865
Cash paid during period for taxes	$ —	$ —	$ —

Farmland Partners Inc.
Consolidated Statements of Cash Flows (continued)
(in thousands)

	For the Years Ended December 31,		
	2018	2017	2016
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING TRANSACTIONS:			
Dividends payable, common stock	$ 1,530	$ 4,243	$ 2,212
Distributions payable, common units	$ 229	$ 604	$ 726
Preferred distributions accrued	$ 3,510	$ 3,510	$ 2,915
Deferred offering costs amortized through equity in the period	$ —	$ 420	$ 565
Additions to real estate improvements included in accrued expenses	$ 350	$ 1,375	$ 956
Issuance of equity and contributions from redeemable non-controlling interests and non-controlling interest in operating partnership in conjunction with acquisitions	$ —	$ 181,509	$ 146,592
Below market lease acquisitions	$ —	$ —	$ 29
Other assets acquired in business combination	$ —	$ 1,759	$ —
Accounts receivable acquired in acquisitions	$ —	$ 896	$ —
Property tax liability assumed in acquisitions	$ (15)	$ 596	$ 86
Deferred financing costs included in accrued expenses	$ —	$ 16	$ 54
Offering costs included in accrued expenses	$ —	$ 13	$ 90

See accompanying notes.

Farmland Partners Inc.
Notes to Consolidated Financial Statements

Note 1–Organization and Significant Accounting Policies

Organization

Farmland Partners Inc., collectively with its subsidiaries (the "Company"), is an internally managed real estate company that owns and seeks to acquire high-quality farmland located in agricultural markets throughout North America. The Company was incorporated in Maryland on September 27, 2013. The Company is the sole member of the general partner of Farmland Partners Operating Partnership, LP (the "Operating Partnership"), which was formed in Delaware on September 27, 2013. As of December 31, 2018, the Company owned a portfolio of approximately 162,000 acres which are consolidated in these financial statements. All of the Company's assets are held by, and its operations are primarily conducted through, the Operating Partnership and the wholly owned subsidiaries of the Operating Partnership. As of December 31, 2018, the Company owned an 87.0% interest in the Operating Partnership (see "Note 9—Stockholders' Equity and Non-controlling Interests" for additional discussion regarding Class A Common units of limited partnership interest in the Operating Partnership ("Common units"), Series A preferred units of limited partnership interest in the Operating Partnership ("Series A preferred units") and Series B participating preferred units of limited partnership interest in the Operating Partnership ("Series B participating preferred units")). Unlike holders of the Company's common stock, holders of Common units and Series A preferred units generally do not have voting rights or the power to direct our affairs. On August 17, 2017, the Company issued 6,037,500 shares of its newly designated 6.00% Series B Participating Preferred Stock, $0.01 par value per share (the "Series B Participating Preferred Stock") in an underwritten public offering. Shares of Series B Participating Preferred Stock, which represent equity interests in the Company, generally have no voting rights and rank senior to the Company's common stock with respect to dividend rights and rights upon liquidation (See "Note 9—Stockholders' Equity—Series B Participating Preferred Stock" for more information on the Series B Participating Preferred Stock).

The Company elected to be taxed as a real estate investment trust ("REIT"), under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with its short taxable year ended December 31, 2014.

On March 16, 2015, the Company formed FPI Agribusiness Inc., a wholly owned subsidiary (the "TRS" or "FPI Agribusiness"), as a taxable REIT subsidiary. The TRS was formed to provide volume purchasing services to the Company's tenants and also to operate a small scale custom farming business. As of December 31, 2018, the TRS performs these custom farming operations on 625 acres of farmland owned by the Company located in Florida.

All references to numbers and percent of acres within this report are unaudited.

AFCO Mergers

On February 2, 2017, the Company completed a merger with American Farmland Company ("AFCO") at which time one of the Company's wholly owned subsidiaries was merged with and into American Farmland Company L.P. ("AFCO OP") with AFCO OP surviving as a wholly owned subsidiary of the Operating Partnership (the "Partnership Merger"), and AFCO merged with and into another one of our wholly owned subsidiaries with such wholly owned subsidiary surviving (the "Company Merger" and together with the Partnership Merger, the "AFCO Mergers").

At the effective time of the Company Merger, each share of common stock of AFCO, par value $0.01 per share ("AFCO Common Stock"), issued and outstanding immediately prior to the effective time of the Company Merger (other than any shares of AFCO Common Stock owned by any wholly owned subsidiary of AFCO or by the Company or the Operating Partnership or any wholly owned subsidiary of the Company or the Operating Partnership), was automatically converted into the right to receive, subject to certain adjustments, 0.7417 shares of the Company's common stock (the "Company Merger Consideration"). In addition, in connection with the Company Merger, each outstanding AFCO restricted stock unit that had become fully earned and vested in accordance with its terms was, at the effective time of the Company Merger, converted into the right to receive the Company Merger Consideration. The Company issued

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

14,763,604 shares of its common stock as consideration in the Company Merger, 17,373 shares of its common stock in respect of fully earned and vested AFCO restricted stock units, and 218,535 Common units in connection with the Partnership Merger at a share price of $11.41 per share on the date of the merger for a total consideration of $171.1 million, net of $75.0 million in assumed debt.

Principles of Combination and Consolidation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts of the Company and the Operating Partnership. All significant intercompany balances and transactions have been eliminated in consolidation.

The Company's financial condition as of December 31, 2018 and 2017, and the results of operations for the years ended December 31, 2018, 2017 and 2016, reflect the financial condition and results of operations of the Company.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

Real Estate Acquisitions

When the Company acquires farmland where substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets it is not considered a business. As such, the Company accounts for these types of acquisitions as asset acquisitions. When substantially all of the fair value of the gross assets acquired is not concentrated in a single identifiable asset or a group of similar assets and contains acquired inputs, processes and outputs, these acquisitions are accounted for as a business combination.

The Company considers single identifiable assets as tangible assets that are attached to and cannot be physically removed and used separately from another tangible asset without incurring significant cost or significant diminution in utility or fair value. The Company considers similar assets as assets that have a similar nature and risk characteristics.

Whether the Company's acquisitions are treated as an asset acquisition under ASC 360 or a business combination under ASC 805, the fair value of the purchase price is allocated among the assets acquired and any liabilities assumed by valuing the property as if it was vacant. The "as-if-vacant" value is allocated to land, buildings, improvements, permanent plantings and any liabilities, based on management's determination of the relative fair values of such assets and liabilities as of the date of acquisition.

Upon acquisition of real estate, the Company allocates the purchase price of the real estate based upon the fair value of the assets and liabilities acquired, which historically have consisted of land, drainage improvements, irrigation improvements, groundwater, permanent plantings (bushes, shrubs, vines, and perennial crops), and grain facilities, and may also consist of intangible assets including in-place leases, above market and below market leases, and tenant relationships. The Company allocates the purchase price to the fair value of the tangible assets by valuing the land as if it were unimproved. The Company values improvements, including permanent plantings and grain facilities, at replacement cost, adjusted for depreciation.

Management's estimates of land value are made using a comparable sales analysis. Factors considered by management in its analysis of land value include soil types and water availability and the sales prices of comparable farms. Management's estimates of groundwater value are made using historical information obtained regarding the applicable

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Notes to Consolidated Financial Statements (Continued)

aquifer. Factors considered by management in its analysis of groundwater value are related to the location of the aquifer and whether or not the aquifer is a depletable resource or a replenishing resource. If the aquifer is a replenishing resource, no value is allocated to the groundwater. The Company includes an estimate of property taxes in the purchase price allocation of acquisitions to account for the expected liability that was assumed.

When above or below market leases are acquired, the Company values the intangible assets based on the present value of the difference between prevailing market rates and the in-place rates measured over a period equal to the remaining term of the lease for above market leases and the initial term plus the term of any below market fixed rate renewal options for below market leases that are considered bargain renewal options. The above market lease values are amortized as a reduction of rental income over the remaining term of the respective leases. The fair value of acquired below market leases, included in deferred revenue on the accompanying consolidated balance sheets, is amortized as an increase to rental income on a straight-line basis over the remaining non-cancelable terms of the respective leases, plus the terms of any below market fixed rate renewal options that are considered bargain renewal options of the respective leases. As of December 31, 2017, all below market leases had been fully amortized, with amortization totaling $0.0 million recorded in the twelve months ended December 31, 2018.

As of December 31, 2018 and 2017, the Company had $1.3 million and $1.4 million respectively, recorded for tenant relationship intangibles with total accumulated amortization and amortization expense of $1.0 million and $0.6 million, respectively. The purchase price is allocated to in-place lease values and tenant relationships, if they are acquired, based on the Company’s evaluation of the specific characteristics of each tenant’s lease, availability of replacement tenants, probability of lease renewal, estimated down time, and its overall relationship with the tenant. The value of in-place lease intangibles and tenant relationships will be included as an intangible asset and will be amortized over the remaining lease term (including expected renewal periods of the respective leases for tenant relationships) as amortization expense. If a tenant terminates its lease prior to its stated expiration, any unamortized amounts relating to that lease, including (i) above and below market leases, (ii) in-place lease values, and (iii) tenant relationships, would be recorded to revenue or expense as appropriate.

The Company capitalizes acquisition costs and due diligence costs if the asset is expected to qualify as an asset acquisition. If the asset acquisition is abandoned, the capitalized asset acquisition costs will be expensed to acquisition and due diligence costs in the period of abandonment. Costs associated with a business combination are expensed to acquisition and due diligence costs as incurred.

Total consideration for acquisitions may include a combination of cash and equity securities. When equity securities are issued,the Company determines the fair value of the equity securities issued based on the number of shares of common stock and Common units issued multiplied by the stock price on the date of closing in the case of common stock and Common units and by liquidation preference in the case of preferred stock and preferred units.

Using information available at the time of business combination, the Company allocates the total consideration to tangible assets and liabilities and identified intangible assets and liabilities. During the measurement period, which may be up to one year from the acquisition date, the Company may adjust the preliminary purchase price allocations after obtaining more information about assets acquired and liabilities assumed at the date of acquisition.

Real Estate

The Company’s real estate consists of land, groundwater and improvements made to the land consisting of permanent plantings, grain facilities, irrigation improvements, drainage improvements and other improvements. The Company records real estate at cost and capitalizes improvements and replacements when they extend the useful life or improve the efficiency of the asset. Construction in progress includes the costs to build new grain storage facilities and install new pivots, drainage and wells on newly acquired farms. The Company begins depreciating assets when the asset is ready for its intended use.

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Notes to Consolidated Financial Statements (Continued)

The Company expenses costs of repairs and maintenance at the time such costs are incurred. The Company computes depreciation and depletion for assets classified as improvements using the straight-line method over their estimated useful lives as follows:

	Years
Grain facilities	10 - 40
Irrigation improvements	2 - 40
Drainage improvements	20 - 65
Groundwater	3 - 50
Permanent plantings	13 - 40
Other	5 - 40

The Company periodically evaluates the estimated useful lives for groundwater based on current state water regulations and depletion levels of the aquifers.

When a sale occurs, the Company recognizes the associated gain when all consideration has been transferred, the sale has closed and there is no material continuing involvement. If a sale is expected to generate a loss, the Company first assesses it through the impairment evaluation process—see ‘‘Impairment of Real Estate Assets’’ below.

Impairment of Real Estate Assets

The Company evaluates its tangible and identifiable intangible real estate assets for impairment indicators whenever events such as declines in a property's operating performance, deteriorating market conditions or environmental or legal concerns bring recoverability of the carrying value of one or more assets into question. If such events are present, the Company projects the total undiscounted cash flows of the asset, including proceeds from disposition, and compares them to the net book value of the asset. If this evaluation indicates that the carrying value may not be recoverable, an impairment loss is recorded in earnings equal to the amount by which the carrying value exceeds the fair value of the asset. There have been no impairments recognized on real estate assets in the accompanying financial statements.

Cash

The Company's cash at December 31, 2018 and 2017 was held in the custody of two and two financial institutions, respectively, and the Company's balance at any given financial institution may at times exceed federally insurable limits. The Company monitors balances with individual financial institutions to mitigate risks relating to balances exceeding such limits.

Debt Issuance Costs

Costs incurred by the Company or its predecessor in obtaining debt are deducted from the face amount of mortgage notes, lines of credit and bonds payable, net except for those costs relating to the Company's lines of credit which are recognized as an asset within deferred financing fees, net. During the year ended December 31, 2018, $0.2 million in costs were incurred in connection with the MetLife Term Loan 9, (as defined in "Note 7—Mortgage Notes, Lines of Credit and Bonds Payable, net"). During the year ended December 31, 2017, $1.4 million in costs were incurred in connection with MetLife Term Loan 5, MetLife Term Loan 6, MetLife Term Loan 7, MetLife Term Loan 8, Rutledge Credit Facility and the Rabobank Note (as defined in "Note 7—Mortgage Notes, Lines of Credit and Bonds Payable, net"). Debt issuance costs are amortized using the straight-line method, which approximates the effective interest method, over the terms of the related indebtedness. Any unamortized amounts upon early repayment of mortgage notes payable are written off in the period in which repayment occurs. Fully amortized deferred financing fees are removed from the books upon maturity or repayment of the underlying debt. The Company recorded amortization expense of $0.3 million, $0.3 million, and $0.4 million for the years ended December 31, 2018, 2017 and 2016, respectively, which is included in interest expense in the accompanying Consolidated Statements of Operations. The Company wrote off $0, $0 and $6,209 of debt issuance costs to interest expense in conjunction with the early repayment of debt during the year ended December 31, 2018, 2017 and

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Notes to Consolidated Financial Statements (Continued)

2016, respectively. Accumulated amortization of deferred financing fees was $0.7 million and $0.6 million as of December 31, 2018 and 2017, respectively.

Notes and Interest Receivable

Notes receivable are stated at their unpaid principal balance and include unamortized direct origination costs, prepaid interest and accrued interest through the reporting date, less any allowance for losses and unearned borrower paid points.

Management determines the appropriate classification of debt securities at the time of issuance and reevaluates such designation as of each balance sheet date. As of December 31, 2018, the Company had issued six notes under the FPI Loan Program and have designated each of the notes receivable as loans. Loans are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity computed under the straight-line method, which approximates the effective interest method. Such amortization, including interest, is included in other revenue within our Consolidated Statements of Operations. See “Note 6—Notes Receivable.”

Allowance for Notes and Interest Receivable

A note is placed on non-accrual status when management determines, after considering economic and business conditions and collection efforts, that the note is impaired or collection of interest is doubtful. The accrual of interest on the instrument ceases when there is concern that principal or interest due according to the note agreement will not be collected. Any payment received on such non-accrual notes are recorded as interest income when the payment is received. The note is reclassified as accrual-basis once interest and principal payments become current. The Company periodically reviews the value of the underlying collateral of farm real estate for the note receivable and evaluates whether the value of the collateral continues to provide adequate security for the note. Should the value of the underlying collateral become less than the outstanding principal and interest, the Company will determine whether an allowance is necessary. Any uncollectible interest previously accrued is also charged off. As of December 31, 2018, we believe the value of the underlying collateral for each of the notes to be sufficient and in excess of the respective outstanding principal and accrued interest. There was one note receivable that was past due at December 31, 2018, this note is secured by farmland, the Company believes that note will be fully recoverable.

Deferred Offering Costs

Deferred offering costs include incremental direct costs incurred by the Company in conjunction with proposed or actual offerings of securities. At the completion of the offering, the deferred offering costs are charged ratably as a reduction of the gross proceeds of equity as stock is issued. If an offering is abandoned, the previously deferred offering costs will be charged to operations in the period in which the abandonment occurs. The Company incurred $0.1 million and $0.5 million in offering costs during the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, the Company had $0.2 million and $0.3 million, respectively, in deferred offering costs related to regulatory, legal, accounting and professional service costs associated with proposed or actual offerings of securities.

Accounts Receivable

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on historical experience and current economic conditions. The allowance for doubtful accounts was $0.2 million and $0.5 million as of December 31, 2018 and 2017, respectively, which is recorded on the Consolidated Statement of Operations as a reduction to rental revenue if in relation to revenues recognized in the year, or as property operating expenses if in relation to revenue recognized in the prior years.

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Notes to Consolidated Financial Statements (Continued)

Inventory

The costs of growing crop are accumulated until the time of harvest at the lower of cost or market value and are included in inventory in our consolidated balance sheets. Costs are allocated to growing crops based on a percentage of the total costs of production and total operating costs that are attributable to the portion of the crops that remain in inventory at the end of the year. Growing crop consists primarily of land preparation, cultivation, irrigation and fertilization costs incurred by FPI Agribusiness. Growing crop inventory is charged to cost of products sold when the related crop is harvested and sold.

Harvested crop inventory includes costs accumulated both during the growing and harvesting phases and are stated at the lower of those costs or the estimated net realizable value, which is the market price, based upon the nearest market in the geographic region, less any cost of disposition. Cost of disposition includes broker's commissions, freight and other marketing costs.

Other inventory, such as fertilizer and pesticides, is valued at the lower of cost or market.

Inventory consisted of the following:

	December 31,	
($ in thousands)	**2018**	**2017**
Harvested crop	$ 100	$ 126
Growing crop	122	—
General inventory	119	—
	$ 341	$ 126

Revenue Recognition

Rental income includes rents that each tenant pays in accordance with the terms of its lease. Minimum rents pursuant to leases are recognized as revenue on a straight-line basis over the lease term, including renewal options in the case of bargain renewal options. Deferred revenue includes the cumulative difference between the rental revenue recorded on a straight-line basis and the cash rent received from tenants in accordance with the lease terms. Acquired below market leases are included in deferred revenue on the accompanying consolidated balance sheets, which are amortized into rental income over the life of the respective leases, plus the terms of the below market renewal options, if any.

Leases in place as of December 31, 2018 had terms ranging from one to twenty five years. As of December 31, 2018, the Company had 72 leases over 137 properties with rent escalations. The majority of the Company's leases provide for a fixed annual or semi-annual cash rent payment. Tenant leases on acquired farms generally require the tenant to pay the Company rent for the entire initial year regardless of the date of acquisition, if the acquisition is closed prior to, or shortly after, planting of crops. If the acquisition is closed later in the year, the Company typically receives a partial rent payment or no rent payment at all.

Certain of the Company's leases provide for a rent payment determined as a percentage of the gross farm proceeds (contingent rent). Revenue under leases providing for a payment equal to a percentage of the gross farm proceeds are recorded at the guaranteed crop insurance minimums and recognized ratably over the lease term during the crop year. Upon notification from the grain or packing facility that a future contract for delivery of the harvest has been finalized or when the tenant has notified the Company of the total amount of gross farm proceeds, revenue is recognized for the excess of the actual gross farm proceeds and the previously recognized minimum guaranteed insurance. Contingent rent recognized for the years ended December 31, 2018, 2017 and 2016 totaled $13.2 million, $ 9.5 million, and $1.6 million, respectively.

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Notes to Consolidated Financial Statements (Continued)

Certain of the Company's leases provide for minimum cash rent plus a bonus based on gross farm proceeds. Revenue under this type of lease is recognized on a straight-line basis over the lease term based on the minimum cash rent. Bonus rent is recognized upon notification from the tenant of the gross farm proceeds for the year.

Tenant reimbursements include reimbursements for real estate taxes that each tenant pays in accordance with the terms of its lease. When leases require that the tenant reimburse the Company for property taxes paid by the Company, the reimbursement is reflected as tenant reimbursement revenue on the statements of operations, as earned, and the related property tax as property operating expense, as incurred.

Crop sales revenue

The Company records revenue from the sale of harvested crops when the harvested crop has been contracted to be delivered to a grain or packing facility and title has transferred. Harvested crops delivered under marketing contracts are recorded using the fixed price of the marketing contract at the time of delivery to a grain or packing facility. Harvested crops delivered without a marketing contract are recorded using the market price at the date the harvested crop is delivered to the grain or packing facility and title has transferred.

Other revenue

The Company recognizes interest income on notes receivable on an accrual basis over the life of the note. Direct origination costs are netted against loan origination fees and are amortized over the life of the note using the straight-line method, which approximates the effective interest method, as an adjustment to interest income which is included as a component of other revenue in the Company's Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016.

Income Taxes

As a REIT, the Company is permitted to deduct dividends, for income tax purposes, paid to its stockholders, thereby eliminating the U.S. federal taxation of income represented by such distributions at the Company level, provided certain requirements are met. REITs are subject to a number of organizational and operational requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to U.S. federal income tax (including any applicable alternative minimum tax) on its taxable income at regular corporate tax rates. The Company recorded income tax expense totaling $0.0 million, $0.0 million, and $0.01 million for the years ended December 31, 2018, 2017, and 2016, respectively.

The Operating Partnership leases certain of its farms to the TRS, which is subject to federal and state income taxes. The TRS accounts for income taxes using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial reporting basis of assets and liabilities and their respective income tax basis and for operating loss, capital loss and tax credit carryforwards based on enacted income tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not they will be realized on consideration of available evidence, including future reversals of existing taxable temporary differences, future projected taxable income and tax planning strategies. There was $(0.02) million in taxable income from the TRS for the year ended December 31, 2018, $0.03 million at December 31, 2017, and $0.03 million for the year ended December 31, 2016 the Company did not have any deferred tax assets or liabilities for these years.

The Company performs an annual review for any uncertain tax positions and, if necessary, will record future tax consequences of uncertain tax positions in the financial statements. An uncertain tax position is defined as a position taken or expected to be taken in a tax return that is not based on clear and unambiguous tax law and which when examined by taxing authorities is more-likely-than-not to be sustained on review and which is reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. At December 31, 2018, the Company did not identify any uncertain tax positions. The Company did not identify any uncertain tax positions related to the 2017 and 2016 open tax years.

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Notes to Consolidated Financial Statements (Continued)

When the Company acquires a property in a business combination, the Company evaluates such acquisition for any related deferred tax assets or liabilities and determines if a deferred tax asset or liability should be recorded in conjunction with the purchase price allocation. If a built-in gain is acquired, the Company evaluates the required holding period (generally 5 years) and determines if it has the ability and intent to hold the underlying assets for the necessary holding period. If the Company has the ability to hold the underlying assets for the required holding period, no deferred tax liability is recorded with respect to the built-in gain. The Company determined that no deferred tax asset or liability should be recorded as a result of the business combinations that it undertook during the years ended December 31, 2018 and December 31, 2017.

Derivatives and Hedge Accounting

The Company enters into marketing contracts to sell commodities. Derivatives and hedge accounting guidance requires a company to evaluate these contracts to determine whether the contracts are derivatives. Certain contracts that meet the definition of a derivative may be exempt from derivative accounting if designated as normal purchase or normal sales. The Company evaluates all contracts at inception to determine if they are derivatives and if they meet the normal purchase and normal sale designation requirements. All contracts entered into during the year ended December 31, 2018 met the criteria to be exempt from derivative accounting and were designated as normal purchase and sales exceptions for hedge accounting.

Segment Reporting

The Company's chief operating decision maker does not evaluate performance on a farm-specific or transactional basis and does not distinguish the Company's principal business or group its operations on a geographical basis for purposes of measuring performance. Accordingly, the Company believes it has a single operating segment for reporting purposes in accordance with GAAP.

Earnings Per Share

Basic earnings per share is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding the weighted average number of unvested restricted shares ("participating securities" as defined in "Note 9—Stockholders' Equity and non-controlling Interests"). Diluted earnings per share is calculated by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding during the period, plus other potentially dilutive securities such as stock grants or shares that would be issued in the event that Common units are redeemed for shares of common stock of the Company. No adjustment is made for shares that are anti-dilutive during a period.

Non-controlling Interests

The Company's non-controlling interests are interests in the Operating Partnership not owned by the Company. The Company evaluates whether non-controlling interests are subject to redemption features outside of its control. The Company classifies non-controlling interests that are contingently redeemable solely for cash (unless stockholder approval is obtained to redeem for shares of common stock) one year after issuance or deemed probable to eventually become redeemable and which have redemption features outside of its control, as redeemable non-controlling interests in the mezzanine section of the consolidated balance sheets. The amounts reported for non-controlling interests on the Company's Consolidated Statements of Operations represent the portion of income or losses not attributable to the Company.

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Notes to Consolidated Financial Statements (Continued)

Stock Based Compensation

From time to time, the Company may award non-vested shares under the Company's Second Amended and Restated 2014 Equity Incentive Plan (the "Plan") as compensation to officers, employees, non-employee directors and non-employee consultants (see "Note 9—Stockholders' Equity and Non-controlling Interests"). The shares issued to officers, employees, and non-employee directors vest over a period of time as determined by the Board of Directors at the date of grant. The Company recognizes compensation expense for non-vested shares granted to officers, employees and directors on a straight-line basis over the requisite service period based upon the fair market value of the shares on the date of grant, as adjusted for forfeitures. The Company recognizes expense related to non-vested shares granted to non-employee consultants over the period that services are received. The change in fair value of the shares to be issued upon vesting is remeasured at each reporting period and is recorded in general and administrative expenses on the Consolidated Statements of Operations.

New or Revised Accounting Standards

Recently adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers: (Topic 606) ("ASU 2014-09")* . ASU 2014-09 amends the guidance for revenue recognition to replace numerous, industry-specific requirements and converges areas under this topic with those of the International Financial Reporting Standards. ASU 2014-09 implements a five-step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The Company completed its assessment of the impact of this guidance and determined that the primary impact relates to reporting crop sales revenue separately from other revenue the Company records in relation to interest income received from the Company's loan program on the Consolidated Statement of Operations. There was no cumulative effect to retained earnings upon adoption. The majority of the Company's contracts with customers relate to leases that fall within the scope of ASU 840.

Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases: (Topic 842) ("ASU 2016-02"),* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. While the Company is still completing its assessment of the impact of this guidance, the following is anticipated to reflect the primary effects of this guidance on the Company's reporting:

(i) For leases in which the Company is the lessee, the Company does not expect the guidance to have a material impact as there are only two operating leases for office space and for subleased property in Nebraska. Both of these leases have terms less than 12 months. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The Company will record a right-of-use asset and a lease liability for the third lease that has a term greater than 12 months, but the Company does not expect it to have a significant impact on the consolidated financial statements;

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Notes to Consolidated Financial Statements (Continued)

(ii) For leases in which the Company is the lessor, the Company does not expect there to be a material impact as the majority of the Company's leases do not contain a non-lease component. While the Company is expecting there to be other ancillary impacts for leases in which the Company is the lessor, they are not expected to be material to the consolidated financial statements. Under the new guidance lease procurement costs which were previously capitalized will be expensed as incurred. Lastly, under the new guidance, there are certain circumstances in which buyer-lessors in sale and leaseback transactions could potentially result in recording the transaction as a financial receivable if such transaction fails sale and leaseback criteria, the Company has two farm purchases that have previously been recorded as financial receivables, the adoption of Topic 842 does not affect this accounting.

The standard is effective for annual and interim reporting periods beginning after December 15, 2018, with modified retrospective restatement for each reporting period presented at the time of adoption. Early adoption is permitted. The Company will not early adopt this guidance.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. This guidance is effective for public business entities for fiscal years and for interim periods within those fiscal years, beginning after December 15, 2019, with early adoption being allowed as of the fiscal years beginning after December 15, 2018. The Company is currently assessing the impact this new accounting guidance will have on its consolidated financial statements; however, the Company does not expect the new accounting guidance to have a material impact on its consolidated financial statements.

Note 2—Revenue Recognition

For the majority of its leases, the Company receives at least 50% of the annual lease payment from tenants either during the first quarter of the year or at the time of acquisition of the related farm, with the remaining 50% of the lease payment due in the second half of the year. Rental income is recorded on a straight-line basis over the lease term. The lease term generally includes periods when a tenant: (1) may not terminate its lease obligation early; (2) may terminate its lease obligation early in exchange for a fee or penalty that the Company considers material enough such that termination would not be probable; (3) possesses renewal rights and the tenant's failure to exercise such rights imposes a penalty on the tenant material enough such that renewal appears reasonably assured; or (4) possesses bargain renewal options for such periods. Payments received in advance are included in deferred revenue until they are earned.

As of December 31, 2018 and 2017, the Company had $0.2 million, and $3.9 million, respectively, in deferred revenue. The Company did not have any unamortized below market leases as of December 31, 2018 and 2017, respectively.

The following represents a summary of the rental income recognized during the three years ended December 31, 2018:

	Rental Income Recognized		
	For the year ended December 31,		
($ in thousands)	**2018**	**2017**	**2016**
Leases in effect at the beginning of the year	$ 37,434	$ 12,593	$ 2,609
Leases entered into or amended during the year	13,751	30,363	27,059
	$ 51,185	$ 42,956	$ 29,668

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Notes to Consolidated Financial Statements (Continued)

Future minimum lease payments from tenants under all non-cancelable leases in place as of December 31, 2018, including lease advances, when contractually due, but excluding tenant reimbursement of expenses and lease payments based on a percentage of farming revenues, for each of the next five years and beyond as of December 31, 2018 are as follows:

($ in thousands) **Year Ending December 31,**	**Future Rental Payments**
2019	$ 37,027
2020	25,012
2021	13,122
2022	2,371
2023	500
2024 and beyond	3,417
	$ 81,449

Since lease renewal periods are exercisable at the option of the lessee, the preceding table presents future minimum lease payments due during the initial lease term only.

Note 3—Concentration Risk

Credit Risk

For the years ended December 31, 2018, 2017 and 2016, the Company had certain tenant concentrations as presented in the table below. If a significant tenant, representing a tenant concentration, fails to make rental payments to the Company or elects to terminate its leases, and the land cannot be re-leased on satisfactory terms, there would be a material adverse effect on the Company's financial performance and the Company's ability to continue operations. The following is a summary of our significant tenants:

	Rental Income Recognized For the year ended December 31,					
($ in thousands)	**2018**		**2017**		**2016**	
Tenant A [(1)]	$ 6,996	13.6 %	$ 7,041	16.4 %	$ —	— %
Tenant B [(1)]	$ 6,957	13.6 %	$ —	— %	$ —	— %

(1) The Company has numerous permanent crop leases with these major farming companies located in Califonia.

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Notes to Consolidated Financial Statements (Continued)

Geographic Risk

The following table summarizes the percentage of approximate total acres owned as of December 31, 2018, 2017 and 2016 and straight line and crop share rental income recorded by the Company for the years then ended by location of the farm:

	Approximate % of Total Acres As of December 31,			Rental Income For the year ended December 31,		
Location of Farm	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Alabama	0.3 %	0.4 %	— %	0.4 %	0.2 %	— %
Arkansas	8.3 %	9.1 %	10.0 %	4.0 %	4.7 %	4.5 %
California	7.2 %	7.2 %	— %	36.8 %	27.8 %	— %
Colorado	14.9 %	15.1 %	18.8 %	4.4 %	6.4 %	9.3 %
Florida	4.6 %	4.6 %	2.1 %	1.7 %	3.1 %	0.6 %
Georgia	3.3 %	3.3 %	2.9 %	2.1 %	4.0 %	1.8 %
Illinois	24.1 %	25.5 %	24.8 %	24.3 %	28.8 %	25.4 %
Kansas	1.2 %	1.2 %	1.6 %	0.3 %	0.4 %	0.4 %
Louisiana	5.2 %	5.9 %	8.1 %	2.8 %	3.3 %	1.4 %
Michigan	1.4 %	1.4 %	0.4 %	1.7 %	1.6 %	0.4 %
Mississippi	3.0 %	3.1 %	4.3 %	1.7 %	2.0 %	2.2 %
North Carolina	10.3 %	6.9 %	9.6 %	7.1 %	4.3 %	39.1 %
Nebraska	3.7 %	3.7 %	5.1 %	3.0 %	3.6 %	5.2 %
South Carolina	9.4 %	9.1 %	8.9 %	7.9 %	7.7 %	8.3 %
South Dakota	1.0 %	1.1 %	— %	0.7 %	0.6 %	— %
Texas	1.3 %	1.7 %	2.3 %	0.8 %	1.1 %	1.4 %
Virginia	0.8 %	0.7 %	1.1 %	0.4 %	0.4 %	— %
	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Note 4—Related Party Transactions

On July 21, 2015, the Company entered into a lease agreement with American Agriculture Aviation LLC ("American Ag Aviation") for the use of a private plane. American Ag Aviation is a Colorado limited liability company that is owned 100% by Mr. Pittman, the Company's CEO. During the years ended December 31, 2018, 2017 and 2016, the Company incurred costs of $0.1 million, $0.2 million and $0.2 million, respectively, from American Ag Aviation for use of the aircraft in accordance with the lease agreement. These costs were recognized based on the nature of the associated use of the aircraft, as follows: (i) general and administrative - expensed as general and administrative expenses within the Company's Consolidated Statements of Operations; (ii) land acquisition (accounted for as an asset acquisition) - allocated to the acquired real estate assets within the Company's consolidated balance sheets; and (iii) land acquisition (accounted for as a business combination) - expensed as acquisition and due diligence costs within the Company's Consolidated Statements of Operations. As of December 31, 2018 and 2017 the Company had outstanding payables to American Agriculture Aviation LLC of $0.00 million and $0.01 million, respectively.

Note 5—Real Estate

As of December 31, 2018, the Company owned approximately 162,000 acres.

During the year ended December 31, 2018, the Company completed six acquisitions which were accounted for as asset acquisitions in Nebraska, North Carolina, South Carolina and Illinois. Consideration totaled $33.8 million and was comprised of cash. No intangible assets were acquired through these acquisitions.

During the year ended December 31, 2018 the Company completed five dispositions in Texas, Illinois and Louisiana. Cash receipts totaled $31.9 million with a total gain of $3.1 million.

During the year ended December 31, 2017, the Company completed 18 acquisitions which were accounted for as asset acquisitions in Illinois, South Carolina, Colorado, Georgia, Kansas, Michigan, California, South Dakota and Arkansas.

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Notes to Consolidated Financial Statements (Continued)

Consideration totaled $225.9 million and was comprised of cash, shares of common stock and Common units. No intangible assets were acquired through these acquisitions.

During 2017, the Company completed one acquisition (the AFCO Mergers) that was accounted for as a business combination. Subsequent adjustments to the preliminary purchase price allocation did not have a material impact to the Company's consolidated financial statements. The following outlines the impact of the completion of the AFCO Mergers accounted for as a business combination as of December 31, 2017.

During 2017, the Company recorded a measurement period adjustment in relation to property tax accruals in the amount of $0.6 million recognized in other liabilities. As the amount was recovered through tenant reimbursements, the Company also increased other assets by $0.6 million.

The Company also recorded a measurement period adjustment of $1.1 million with a corresponding change in land of $0.8 million, irrigation improvements of $0.1 million and permanent plantings of $0.2 million. The statement of operations impact of this adjustment is immaterial to the year ended December 31, 2017.

($ in thousands)		
Land, at cost	$	181,072
Irrigation improvements		26,155
Permanent plantings		48,513
Buildings		1,499
In-place leases (1)		1,139
Lease origination costs		264
Cash		3,832
Other assets		1,831
Inventory		99
Deferred revenue		(4,434)
Other liabilities		(13,826)
Gross Total Consideration		246,144
Mortgage notes and bonds payable, net		(75,000)
Total Consideration	$	171,144

(1) Weighted average amortization period of the in-place lease liability is three years.

The Company has included the results of operations for the acquired real estate in the Consolidated Statement of Operations from the dates of acquisition. The real estate acquired in business combinations during the year ended December 31, 2017 contributed $14.7 million to total revenue and $6.0 million to net income.

The unaudited pro forma information presented below does not purport to represent what the actual results of operations of the Company would have been had the business combinations outlined above occurred as of the beginning of the periods presented, nor does it purport to predict the results of operations of future periods. The unaudited pro forma

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

information is presented below as if the real estate acquired in the business combination during the year ended December 31, 2017 had been acquired on January 1, 2016.

($ in thousands) **Proforma**	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Revenue	$ 46,219	$ 31,001
Pro forma estimate [(1)]	993	15,661
Total operating revenue	$ 47,212	$ 46,662
Net income	$ 9,158	$ 5,999
Pro forma estimate	(367)	3,577
Total net income	$ 8,791	$ 9,576
Net income available to common stockholders of Farmland Partners Inc.	$ 411	$ 4,966
Earnings per share basic and diluted		
Income per basic share attributable to common stockholders	$ 0.01	$ 0.18
Income per diluted share attributable to common stockholders	$ 0.01	$ 0.18
Weighted-average number of common shares - basic	32,340	27,968
Weighted-average number of common shares - diluted	32,340	27,968

(1) Represents a linear extrapolation of revenues over the year ended December 31, 2017 and 2016 and therefore does not take into account the irregularity of certain of the Company's revenue components, such as crop share lease payments.

Prudential Termination Agreement

On February 18, 2017, the Company entered into a Termination Agreement (the "Termination Agreement") with Prudential Capital Mortgage Company (the "Prudential Sub-Advisor") pursuant to which the Company and the Prudential Sub-Advisor agreed to terminate, effective as of March 31, 2017, the Amended and Restated Sub-Advisory Agreement (the "Sub-Advisory Agreement"), dated as of October 23, 2015, by and among AFCO, American Farmland Advisors, AFCO OP and Prudential and certain related property management agreements (together with the Sub-Advisory Agreement, the "Prudential Agreements").

The Termination Agreement provided that, as of March 31, 2017, Prudential no longer provides services to the Company under the Prudential Agreements. The Company paid the Prudential Sub-Advisor $1.6 million in cash, which is equal to the fee that would have been owed to Prudential for services through the quarter ended March 31, 2017, plus a termination fee of approximately $0.2 million. The statement of operations impact to the Company for the year ended December 31, 2017 totaled $0.7 million, which is included in property operating expenses, with the remaining $0.9 million being included in the accruals as a component of the purchase accounting surrounding the AFCO Mergers as this represented the costs incurred by AFCO prior to the AFCO Mergers.

Note 6—Notes Receivable

In August 2015, the Company introduced an agricultural lending product aimed at farmers as a complement to the Company's business of acquiring and owning farmland and leasing it to farmers (the "FPI Loan Program"). Under the FPI Loan Program, the Company makes loans to third-party farmers (both tenant and non-tenant) to provide financing for working capital requirements and operational farming activities, farming infrastructure projects, and for other farming and agricultural real estate related projects. These loans are secured by farmland, properties related to farming, crops (growing or stored), and/or agricultural equipment, and are typically in principal amounts of $100,000 or more at fixed interest rates with maturities of up to three years. The Company expects the borrower to repay the loans in accordance with the applicable loan agreements based on farming operations and access to other forms of capital, as permitted. Notes receivable are stated at their unpaid principal balance, and include unamortized direct origination costs and accrued interest through the reporting date, less any allowance for losses and unearned borrower paid points.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

As of December 31, 2018 and 2017, the Company held the following notes receivable:

($ in thousands) Loan	Payment Terms	Principal Outstanding as of December 31, 2018	Principal Outstanding as of December 31, 2017	Maturity
Mortgage Note (1)	Principal & interest due at maturity	$ 1,840	$ 1,800	1/15/2017
Mortgage Note (2)	Principal & interest due at maturity	234	240	3/16/2022
Mortgage Note (2)	Principal due at maturity & interest due monthly	2,145	2,194	3/16/2022
Mortgage Note (3)	Principal & interest due at maturity	-	100	1/31/2018
Mortgage Note (4)	Principal due at maturity & interest paid in advance	-	669	2/15/2018
Mortgage Note (5)	Principal due at maturity & interest paid in advance	-	2,700	1/29/2018
Mortgage Note (6)	Principal & interest due at maturity	1,647	1,647	3/1/2020
Mortgage Note	Principal & interest due at maturity	5,125	-	8/19/2020
Mortgage Note (7)	Principal & interest due at maturity	62	-	12/31/2018
Line of Credit (8)	Principal & interest due at maturity	106	-	11/15/2018
Total outstanding principal		11,159	9,350	
Points paid, net of direct issuance costs		-	(6)	
Interest receivable (net prepaid interest)		947	461	
Provision for loan receivable		(229)	(45)	
Total notes and interest receivable		$ 11,877	$ 9,760	

(1) In January 2016 the maturity date of the note was extended from January 15, 2016 to January 15, 2017 with the year 1 interest received at the time of the extension and principal and remaining interest due at maturity. On July 28, 2017 the Company notified the borrower of default on the Promissory Note. The Company currently believes that collectability is reasonably assured based upon underlying collateral of the secured property.
(2) The original note was renegotiated and a second note was entered into simultaneously with the borrower during the three months ended March 31, 2017. The notes include mortgages on two additional properties in Colorado that include repurchase options for the properties at a fixed price that are exercisable between the third and fifth anniversary of the notes by the borrower.
(3) Amounts fully repaid subsequent to December 31, 2017.
(4) Amounts fully repaid subsequent to December 31, 2017.
(5) Amounts fully repaid subsequent to December 31, 2017.
(6) In April 2018 the interest rate on the note was increased from 6.50% to 7.50% and a loan fee of 1.0% was initiated for the period ended March 31, 2019.
(7) Note maturity is in the process of being extended.
(8) Note maturity is in the process of being extended.

A reconciliation of the carrying amount of mortgage loans for the years ended December 31, 2018, 2017 and 2016 is set out below:

($ in thousands)	Years ended December 31, 2018	2017	2016
Balance at beginning of year	$ 9,350	$ 2,780	$ 2,830
Additions during year:			
New mortgage loans and additional advances on existing loans	6,662	7,372	-
Interest income added to principal	-	-	-
Amortization of discount	-	-	-
	16,012	10,152	2,830
Deductions during year:			
Collection of principal	4,853	802	50
Foreclosure	-	-	-
Balance at end of year	$ 11,159	$ 9,350	$ 2,780

The collateral for the mortgage notes receivable consists of real estate and improvements present on such real estate. For income tax purposes the aggregate cost of the investment of the mortgage notes is the carrying amount per the table above.

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Fair Value

FASB ASC 820-10 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1* —Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- *Level 2* —Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable or can be substantially corroborated for the asset or liability, either directly or indirectly.
- *Level 3* —Inputs to the valuation methodology are unobservable, supported by little or no market activity.

The fair value of notes receivable is valued using Level 3 inputs under the hierarchy established by GAAP and is calculated based on a discounted cash flow analysis, using interest rates based on management's estimates of market interest rates on mortgage notes receivable with comparable terms whenever the interest rates on the notes receivable are deemed not to be at market rates. As of December 31, 2018 and 2017 the fair value of the notes receivable was $11.7 million and $9.4 million, respectively.

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

Note 7—Mortgage Notes, Lines of Credit and Bonds Payable

As of December 31, 2018 and 2017, the Company had the following indebtedness outstanding:

($ in thousands) Loan	Payment Terms	Interest Rate Terms	Annual Interest Rate as of December 31, 2018	Principal Outstanding as of December 31, 2018	Principal Outstanding as of December 31, 2017	Maturity	Book Value of Collateral as of December 31, 2018	Book Value of Collateral as of December 31, 2017
Farmer Mac Bond #6	Semi-annual interest only	3.69%	3.69%	14,915	14,915	April 2025	$ 22,076	$ 21,688
Farmer Mac Bond #7	Semi-annual interest only	3.68%	3.68%	11,160	11,160	April 2025	18,561	18,436
Farmer Mac Bond #8A	Semi-annual interest only	3.20%	3.20%	41,700	41,700	June 2020	80,989	80,936
Farmer Mac Bond #9	Semi-annual interest only	3.35%	3.35%	6,600	6,600	July 2020	7,828	7,723
MetLife Term Loan #1 (1)	Semi-annual interest only	3.48% adjusted every three years	3.48%	89,913	90,000	March 2026	199,584	198,309
MetLife Term Loan #2	Semi-annual interest only	2.66% adjusted every three years	2.66%	16,000	16,000	March 2026	32,189	31,633
MetLife Term Loan #3	Semi-annual interest only	2.66% adjusted every three years	2.66%	21,000	21,000	March 2026	27,525	27,202
MetLife Term Loan #4 (1)	Semi-annual interest only	3.48% adjusted every three years	3.48%	15,685	15,685	June 2026	31,124	30,671
MetLife Term Loan #5	Semi-annual interest only	3.26% adjusted every three years	3.26%	8,379	8,379	January 2027	13,964	17,245
MetLife Term Loan #6	Semi-annual interest only	3.21% adjusted every three years	3.21%	27,158	27,158	February 2027	58,058	56,199
MetLife Term Loan #7	Semi-annual interest only	3.45% adjusted every three years	3.45%	21,253	21,253	June 2027	48,963	48,247
MetLife Term Loan #8	Semi-annual interest only	4.12% adjusted every three years	4.12%	44,000	44,000	December 2042	110,042	110,042
MetLife Term Loan #9	Semi-annual interest only	4.19% adjusted every three years	4.19%	21,000	-	May 2028	40,981	—
Farm Credit of Central Florida	(2)	LIBOR + 2.9375% adjusted monthly (4)	5.44%	5,060	5,102	September 2023	13,263	10,212
Prudential	(3)	3.20%	3.20%	5,144	6,481	July 2019	10,583	11,622
Rabobank	Semi-annual interest only	LIBOR + 1.70% adjustable every three years	4.08%	64,359	66,400	March 2028	134,901	137,788
Rutledge Note Payable #1	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	3.63%	17,000	25,000	January 2022	29,576	46,259
Rutledge Note Payable #2	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	3.63%	25,000	25,000	January 2022	39,749	49,454
Rutledge Note Payable #3	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	3.63%	25,000	25,000	January 2022	58,006	59,339
Rutledge Note Payable #4	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	3.63%	15,000	15,000	January 2022	29,170	28,535
Rutledge Note Payable #5	Quarterly interest only	3 month LIBOR + 1.3% adjusted quarterly	3.63%	30,000	30,000	January 2022	85,707	69,818
Total outstanding principal				525,326	515,833		$ 1,092,841	$ 1,061,358
Debt issuance costs				(1,685)	(1,762)			
Unamortized premium				-	-			
Total mortgage notes and bonds payable, net				$ 523,641	$ 514,071			

(1) During the year ended December 31, 2017 the Company converted the interest rate on Metlife Term Loans 1 and 4 from variable to fixed rates for a term of three years. Once the term expires the new rate will be determined based on the loan agreements.
(2) Loan is an amortizing loan with quarterly interest payments that commenced on January 1, 2017 and quarterly principal payments that commence on October 1, 2018, with all remaining principal and outstanding interest due at maturity.
(3) Loan is an amortizing loan with semi-annual principal and interest payments that commence on July 1, 2017, with all remaining principal and outstanding interest due at maturity.
(4) Interest rate changed as of 12/31/18 from LIBOR + 2.6875% to LIBOR + 2.9375%

Farmer Mac Facility

The Company and the Operating Partnership are parties to the Amended and Restated Bond Purchase Agreement, dated as of March 1, 2015 and amended as of June 2, 2015 and August 3, 2015 (the "Bond Purchase Agreement"), with Federal Agricultural Mortgage Corporation ("Farmer Mac") and Farmer Mac Mortgage Securities

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Notes to Consolidated Financial Statements (Continued)

Corporation, a wholly owned subsidiary of Farmer Mac, as bond purchaser (the “Purchaser”), regarding a secured note purchase facility (the “Farmer Mac Facility”) that has a maximum borrowing capacity of $165.0 million. Pursuant to the Bond Purchase Agreement, the Operating Partnership may, from time to time, issue one or more bonds to the Purchaser that will be secured by pools of mortgage loans, which will, in turn, be secured by first liens on agricultural real estate owned by the Company. The mortgage loans may have effective loan-to-value of up to 60%. Prepayment of each bond issuance is not permitted unless otherwise agreed upon by all parties to the Bond Purchase Agreement.

On September 5, October 23, November 24, December 15, 2017 the Company repaid $20.7 million, $5.5 million, $10.7 million and $44.3 million, respectively, in principal which was due and payable on that date, and as a result these facilities have been fully repaid.

As of December 31, 2018 and December 31, 2017, the Company and the Operating Partnership had $74.4 million and $ 74.4 million outstanding, respectively, under the Farmer Mac facility. The Farmer Mac facility is subject to the Company’s ongoing compliance with a number of customary affirmative and negative covenants, as well as financial covenants, including: a maximum leverage ratio of not more than 60%; a minimum fixed charge coverage ratio of 1.50 to 1.00; and a minimum tangible net worth requirement. The Company was in compliance with all applicable covenants at December 31, 2018.

In connection with the Bond Purchase Agreement, on March 1, 2015, the Company and the Operating Partnership also entered into an amended and restated pledge and security agreement (the “Pledge Agreement”) in favor of the Purchaser and Farmer Mac, pursuant to which the Company and the Operating Partnership agreed to pledge, as collateral for the Farmer Mac Facility, all of their respective right, title and interest in (i) mortgage loans with a value at least equal to 100% of the aggregate principal amount of the outstanding bond held by the Purchaser and (ii) such additional collateral as necessary to have total collateral with a value at least equal to 110% of the outstanding notes held by the Purchaser. In addition, the Company agreed to guarantee the full performance of the Operating Partnership’s duties and obligations under the Pledge Agreement .

The Bond Purchase Agreement and the Pledge Agreement include customary events of default, the occurrence of any of which, after any applicable cure period, would permit the Purchaser and Farmer Mac to, among other things, accelerate payment of all amounts outstanding under the Farmer Mac Facility and to exercise its remedies with respect to the pledged collateral, including foreclosure and sale of the agricultural real estate underlying the pledged mortgage loans.

MetLife Term Loans

On March 29, 2016, five wholly owned subsidiaries of the Operating Partnership entered into a loan agreement (the “First MetLife Loan Agreement” and together with the Second MetLife Loan Agreement, Fifth MetLife Loan Agreement, Sixth MetLife Loan Agreement, Seventh MetLife Loan Agreement and Eigth MetLife Loan Agreement (described below), the “MetLife Loan Agreements”)) with Metropolitan Life Insurance Company (“MetLife”), which provides for a total of $127.0 million of term loans, comprised of (i) a $90.0 million term loan (“Term Loan 1”), (ii) a $16.0 million term loan (“Term Loan 2”) and (iii) a $21.0 million term loan (“Term Loan 3” and, together with Term Loan 1 and Term Loan 2, the “Initial MetLife Term Loans” and, together with Term Loan 4, Term Loan 5, Term Loan 6 and Term Loan 7 (described below), the “MetLife Term Loans”). The proceeds of the Initial MetLife Term Loans were used to repay existing debt (including amounts outstanding under the Bridge Loan), to acquire additional properties and for general corporate purposes. Each Initial MetLife Term Loan is collateralized by first lien mortgages on certain of the Company’s properties.

On June 29, 2016, five wholly owned subsidiaries of the Operating Partnership entered into a loan agreement (the “Second MetLife Loan Agreement”) with MetLife which provides for a loan of approximately $15.7 million to the Company with a maturity date of June 29, 2026 (“Term Loan 4”). Interest on Term Loan 4 is payable semi-annually and accrues at a floating rate that will be adjusted quarterly to a rate per annum equal to the greater of (a) the three-month LIBOR plus an initial floating rate spread of 1.750%, which may be adjusted by MetLife on each of September 29, December 29, March 29 and June 29 of each year or (b) to an interest rate equal to the greater of (a) the three month

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LIBOR plus the floating rate spread or (b) 2.00% per annum. Term Loan 4 initially bore interest at a rate of 2.39% per annum until September 29, 2016, and on September 29, 2016 the rate changed to 2.60% per annum. Effective March 29, 2017, the Company exercised its option to convert the interest rate on Term Loan 4 from a floating rate to an adjustable rate. The new adjustable rate is 3.48% which may be adjusted by MetLife on each of March 29, 2020 and March 29, 2023. Proceeds from Term Loan 4 were used to acquire additional properties and for general corporate purposes.

Interest on Term Loan 1 is payable semi-annually and accrues at a floating rate that will be adjusted quarterly to a rate per annum equal to the greater of (a) the three-month LIBOR plus an initial floating rate spread of 1.750%, which may be adjusted by MetLife on each of March 29, 2019, March 29, 2022 and March 29, 2025 to an interest rate consistent with interest rates quoted by MetLife for substantially similar loans secured by real estate substantially similar to the Company's properties securing Term Loan 1 or (b) 2.000% per annum. Term Loan 1 bore interest at a rate of 2.40% per annum until September 29, 2016, and on September 29, 2016 the rate changed to 2.60% per annum. Effective March 29, 2017, the Company exercised its option to convert the interest rate on Term Loan 4 from a floating rate to an adjustable rate. The new adjustable rate is 3.48%, which may be adjusted by MetLife on each of March 29, 2020 and March 29, 2023. Subject to certain conditions, the Company may at any time during the term of Term Loan 1 elect to have all or any portion of the unpaid balance of Term Loan 1 bear interest at a fixed rate that is initially established by the lender in its sole discretion that may be adjusted from time to time to an interest rate consistent with interest rates quoted by MetLife for substantially similar loans secured by real estate substantially similar to the Company's properties securing Term Loan 1. On any floating rate adjustment date, the Company may prepay any portion of Term Loan 1 that is not subject to a fixed rate without penalty.

Interest on Term Loan 2 and Term Loan 3 is payable semi-annually and accrues at an initial rate of 2.66% per annum, which may be adjusted by MetLife on each of March 29, 2019, March 29, 2022 and March 29, 2025 to an interest rate consistent with interest rates quoted by MetLife for substantially similar loans secured by real estate substantially similar to the Company's properties securing Term Loan 2 and Term Loan 3.

Subject to certain conditions, amounts outstanding under Term Loan 2 and Term Loan 3, as well as any amounts outstanding under Term Loan 1 that are subject to a fixed interest rate, may be prepaid without penalty up to 20% of the original principal amounts of such loans per year or in connection with any rate adjustments. Any other prepayments under the Initial MetLife Term Loans generally are subject to a minimum prepayment premium of 1.00%.

In connection with the Initial MetLife Term Loans, on March 29, 2016, the Company and the Operating Partnership each entered into a separate guaranty (the "Initial MetLife Guaranties") whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the First MetLife Loan Agreement.

In connection with the Term Loan 4, on June 29, 2016, the Company and the Operating Partnership each entered into a separate guaranty (the "Term Loan 4 Guaranties") whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the Second MetLife Loan Agreement.

On January 12, 2017, five wholly owned subsidiaries of the Operating Partnership entered into a loan agreement (the "Fifth MetLife Loan Agreement") with MetLife which provides for a loan of approximately $8.4 million to the Company with a maturity date of January 12, 2027 ("Term Loan 5"). Interest on Term Loan 5 is payable semi-annually and accrues at a 3.26% per annum fixed rate, and may be adjusted by MetLife on each of January 12, 2020, January 12, 2023 and January 12, 2026 at the option of the Lender to a rate that is consistent with similar loans. Proceeds from Term Loan 5 were used to acquire additional properties and for general corporate purposes.

In connection with the Term Loan 5, on January 12, 2017, the Company and the Operating Partnership each entered into a separate guaranty (the "Term Loan 5 Guaranties") whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the Fifth MetLife Loan Agreement.

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Notes to Consolidated Financial Statements (Continued)

On February 14, 2017, a wholly owned subsidiary of the Operating Partnership entered into a loan agreement (the "Sixth MetLife Loan Agreement") with MetLife which provides for a loan of approximately $27.2 million to the Company with a maturity date of February 14, 2027 ("Term Loan 6"). Interest on Term Loan 6 is payable semi-annually and accrues at a 3.21% per annum fixed rate, and may be adjusted by MetLife on each of February 14, 2020, February 14, 2023 and February 14, 2026 at the option of the Lender to a rate that is consistent with similar loans. Proceeds from Term Loan 6 were used to acquire additional properties.

In connection with the Term Loan 6, on February 14, 2017, the Company and the Operating Partnership each entered into a separate guaranty (the "Term Loan 6 Guaranties) whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the Sixth MetLife Loan Agreement.

On June 7, 2017, a wholly owned subsidiary of the Operating Partnership, entered into a loan agreement (the "Seventh MetLife Loan Agreement") with MetLife which provides for a loan of approximately $21.3 million to the Company with a maturity date of June 7, 2027 ("Term Loan 7"). Interest on Term Loan 7 is payable semi-annually and accrues at a 3.45% per annum fixed rate, and may be adjusted by MetLife on each of June 7, 2020, June 7, 2023 and June 7, 2026 at the option of the Lender to a rate that is consistent with similar loans. Proceeds from Term Loan 7 were used to acquire additional properties.

In connection with the Term Loan 7, on June 7, 2017, the Company and the Operating Partnership each entered into a separate guaranty (the "Term Loan 7 Guaranties") whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the Seventh MetLife Loan Agreement.

On November 30, 2017, a wholly owned subsidiary of the Operating Partnership entered into a loan agreement (the "Eighth MetLife Loan Agreement") with MetLife which provides for a loan of approximately $44.0 million to the Company with a maturity date of December 5, 2042 ("Term Loan 8"). Interest on Term Loan 8 is payable semi-annually and accrues at a 4.12% per annum fixed rate, and may be adjusted by MetLife on each of December 5, 2027 and December 5, 2037 at the option of the Lender to a rate that is consistent with similar loans. Proceeds from Term Loan 8 were used to acquire additional properties.

In connection with the Term Loan 8, on December 5, 2017, the Company and the Operating Partnership each entered into a separate guaranty (the "Term Loan 8 Guaranties" and, together with the Initial MetLife Guaranties, the Term Loan 4 Guaranties, the Term Loan 5 Guaranties, the Term Loan 6 Guaranties and the Term Loan 7 Guaranties, the "MetLife Guaranties") whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the Eighth MetLife Loan Agreement.

In connection with the Term Loan 9, on June 6, 2018, the Company and the Operating Partnership each entered into a separate guaranty (the "Term Loan 9 Guaranties" and together with the Initial MetLife Guaranties, the Term Loan 4 Guaranties, the Term Loan 5 Guaranties, the Term Loan 6 Guaranties, the Term Loan 7 Guaranties and the Term Loan 8 Guaranties, the "MetLife Guaranties") whereby the Company and the Operating Partnership jointly and severally agreed to unconditionally guarantee all of the borrowers' obligations under the Ninth MetLife Loan Agreement.

Each of the MetLife Loan Agreements contains a number of customary affirmative and negative covenants, including the requirement to maintain a loan to value ratio of no greater than 60%. The MetLife Guaranties also contain a number of customary affirmative and negative covenants. The Company was in compliance with all covenants under the MetLife Term Loans as of December 31, 2018.

Each of the MetLife Loan Agreements includes certain customary events of default, including a cross-default provision related to other outstanding indebtedness of the borrowers, the Company and the Operating Partnership, the occurrence of which, after any applicable cure period, would permit MetLife, among other things, to accelerate payment

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Notes to Consolidated Financial Statements (Continued)

of all amounts outstanding under the MetLife Term Loans and to exercise its remedies with respect to the pledged collateral, including foreclosure and sale of the Company's properties that collateralize the MetLife Term Loans.

Farm Credit of Central Florida Mortgage Note

On August 31, 2016, a wholly owned subsidiary of the Operating Partnership entered into a loan agreement (the "Farm Credit Mortgage Note") with Farm Credit of Central Florida ("Farm Credit") which provides for a loan of approximately $8.2 million to the Company with a maturity date of September 1, 2023. As of December 31, 2017 and December 31, 2016, approximately $5.1 million had been drawn down under the Farm Credit Mortgage Note . Interest on Farm Credit Mortgage Note is payable quarterly and accrues at a floating rate that will be adjusted monthly to a rate per annum equal to the one-month LIBOR plus 2.6875%, which is subject to adjustment on the first day of September 2016, and on the first day of each month thereafter. Principal is payable quarterly commencing on October 1, 2018, with all remaining principal and outstanding interest due at maturity. Proceeds from the Farm Credit Mortgage Note are to be used for the development of additional properties.

The Farm Credit Mortgage Note contains a number of customary affirmative and negative covenants, as well as a covenant requiring the Company to maintain a debt service coverage ratio of 1.25 to 1.00 beginning on December 31, 2019. The Company was in compliance with all covenants under the Farm Credit of Central Florida Mortgage Notes as of December 31, 2018.

Prudential Note

On December 21, 2016, a wholly owned subsidiary of the Operating Partnership entered into a loan agreement with The Prudential Insurance Company of America ("Prudential") which provides for a loan of approximately $6.6 million to the Company with a maturity date of July 1, 2019 (the "Prudential Note"). Interest on the Prudential Note is payable in cash semi-annually and accrues at a fixed rate of 3.20% per annum. Proceeds from the Prudential Note were used for the acquisition of additional properties.

Beginning on December 21, 2017, the Prudential Note requires the Company to maintain a loan to value no greater than 60%. The Company was in compliance with all covenants under the Prudential Note as of December 31, 2018.

Rutledge Credit Facilities

Upon closing of the AFCO Mergers, by virtue of AFCO OP becoming a subsidiary of the Company, the Company assumed AFCO's outstanding indebtedness under four loan agreements (the "Existing Rutledge Loan Agreements") between AFCO OP and Rutledge Investment Company ("Rutledge"), which are further described below:

1. Loan Agreement, dated as of December 5, 2013, with respect to a $25 million senior secured credit facility bearing interest at an annual rate of 3 month LIBOR plus 1.3%. The loan agreement requires AFCO OP to make quarterly interest payments on April 1, July 1, October 1 and January 1 of each calendar year. Additionally, the loan agreement requires AFCO OP to pay a quarterly non-usage fee equal to 0.25% per annum of the committed loan amount minus the average outstanding principal balance of the loan amount over the prior three-month period.

2. Loan Agreement, dated as of January 14, 2015, with respect to a $25 million senior secured credit facility bearing interest at an annual rate of 3 month LIBOR plus 1.3%. The loan agreement requires AFCO OP to make quarterly interest payments on April 1, July 1, October 1 and January 1 of each calendar year. Additionally, the loan agreement requires AFCO OP to pay a quarterly non-usage fee equal to 0.25% per annum of the committed loan amount minus the average outstanding principal balance of the loan amount over the prior three-month period.

3. Loan Agreement, dated as of August 18, 2015, with respect to a $25 million senior secured credit facility bearing interest at an annual rate of 3 month LIBOR plus 1.3%. The loan agreement requires AFCO OP to make quarterly interest payments on April 1, July 1, October 1 and January 1 of each calendar year. Additionally, the loan

Farmland Partners Inc.
Notes to Consolidated Financial Statements (Continued)

agreement requires AFCO OP to pay a quarterly non-usage fee equal to 0.25% per annum of the committed loan amount minus the average outstanding principal balance of the loan amount over the prior three-month period.

4. Loan Agreement, dated as of December 22, 2015, with respect to a $15 million senior secured credit facility bearing interest at an annual rate of 3 month LIBOR plus 1.3%. The loan agreement requires AFCO OP to make quarterly interest payments on April 1, July 1, October 1 and January 1 of each calendar year. Additionally, the loan agreement requires AFCO OP to pay a quarterly non-usage fee equal to 0.25% per annum of the committed loan amount minus the average outstanding principal balance over the loan amount of the prior three-month period.

In connection with the completion of the AFCO Mergers, on February 3, 2017, AFCO OP, in its capacity as a wholly owned subsidiary of the Company and the Operating Partnership, and Rutledge entered into the Second Amendment (the "Rutledge Amendment") to the Existing Rutledge Loan Agreements. Pursuant to the Rutledge Amendment, among other things, the maturity dates for each of the Existing Rutledge Loan Agreements were extended to January 1, 2022 and the aggregate loan value under the Existing Rutledge Loan Agreements may not exceed 50% of the appraised value of the collateralized properties. Certain AFCO properties acquired by the Company in the Mergers serve as collateral under the Existing Rutledge Loan Agreements.

On February 3, 2017, the Company and the Operating Partnership each entered into guaranty agreements (the "Existing Loan Guarantees") pursuant to which they unconditionally guarantee the obligations of AFCO OP under the Existing Rutledge Loan Agreements.

In addition, in connection with the closing of the AFCO Mergers, on February 3, 2017, AFCO OP entered into a fifth loan agreement with Rutledge Investment Company (the "Fifth Rutledge Loan Agreement" and together with the Existing Rutledge Loan Agreements, as amended, the "Rutledge Loan Agreements"), with respect to a senior secured credit facility in the aggregate amount of $30.0 million, with a maturity date of January 1, 2022 and an annual interest rate of the 3 month LIBOR plus 1.3%. The Fifth Rutledge Loan Agreement requires AFCO OP to make quarterly interest payments. Additionally, the Fifth Rutledge Loan Agreement contains certain customary affirmative and negative covenants, including (i) AFCO OP must pay a quarterly non-usage fee equal to 0.25% of the committed loan amount minus the average outstanding principal balance of the loan amount during the prior three-month period, (ii) AFCO OP must maintain a leverage ratio of 60% or less and (iii) the aggregate amounts outstanding under all of the Rutledge Loan Agreements may not exceed 50% of the aggregate appraised value of the properties serving as collateral under the Rutledge Loan Agreements.

On February 3, 2017, the Company and the Operating Partnership each entered into separate guarantees (the "Fifth Loan Guarantees" and together with the Existing Loan Guarantees, the "Guarantees") whereby they are required to unconditionally guarantee AFCO OP's obligations under the Fifth Rutledge Loan Agreement. As of December 31, 2018 $0 remains available under this facility.

As of December 31, 2018, the Company was in compliance with all covenants under the Rutledge Loan Agreements.

Rabobank Mortgage Note

On December 15, 2017, the Company, the Operating Partnership and five wholly owned subsidiaries of the operating partnership entered into a loan agreement (the "Rabobank Mortgage Note") with Rabo Agrifinance LLS ("Rabo") which provides for a loan of approximately $66.4 million to the Company with a maturity date of March 1, 2028. Interest on the Rabobank Mortgage Note is payable semi annually and accrues at a floating rate that will be adjusted monthly to a rate per annum equal to the six-month LIBOR plus 1.70% which is subject to adjustment on the first day of March 2020, 2022, 2024 and 2026. Principal is payable annually commencing on March 1, 2024, with all remaining principal and outstanding interest due at maturity. Proceeds from the Rabobank Mortgage Note were used for the retirement of debt under the Farmer Mac Bonds. The Company was in compliance with all covenants under the Rabobank Mortgage Note as of December 31, 2018.

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Notes to Consolidated Financial Statements (Continued)

The Rabobank Mortgage Note includes certain customary events of default, including a cross-default provision related to other outstanding indebtedness of the borrowers, the Company and the Operating Partnership, the occurrence of which, after any applicable cure period, would permit Rabobank, among other things, to accelerate payment of all amounts outstanding under the Rabobank Term Loans and to exercise its remedies with respect to the pledged collateral, including foreclosure and sale of the Company's properties that collateralize the Rabobank Term Loans.

Bridge Loan

On February 29, 2016, two wholly owned subsidiaries of the Operating Partnership (together, the "Bridge Borrower") entered into a term loan agreement (the "Bridge Loan Agreement") with MSD FPI Partners, LLC, an affiliate of MSD Partners, L.P. (the "Bridge Lender"), that provided for a loan of $53.0 million (the "Bridge Loan"), the proceeds of which were used primarily to fund the cash portion of the consideration for the acquisition of the Forsythe farms, which was completed on March 2, 2016. During the year ended December 31, 2016, the Company accrued and paid debt issuance costs on the Bridge Loan totaling $173,907, and interest totaling $2,271,867, of which $2,120,000, or 4.0%, of the Bridge Loan's principal amount, was con sidered additional interest paid on issuance . The Bridge Loan was paid in full, including accrued interest, and without prepayment penalty, on March 29, 2016 using proceeds from the MetLife Term Loans.

Aggregate Maturities

As of December 31, 2018, aggregate maturities of long-term debt for the succeeding years are as follows:

($ in thousands)

Year Ending December 31,	Future Maturities
2019	$ 5,418
2020	48,574
2021	274
2022	112,274
2023	3,962
Thereafter	354,823
	$ 525,327

Fair Value

The fair value of the mortgage notes payable is valued using Level 3 inputs under the hierarchy established by GAAP and is calculated based on a discounted cash flow analysis, using interest rates based on management's estimates of market interest rates on long-term debt with comparable terms whenever the interest rates on the mortgage notes payable are deemed not to be at market rates. As of December 31, 2018 and 2017, the fair value of the mortgage notes payable was $518.6 million and $512.8 million, respectively.

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Notes to Consolidated Financial Statements (Continued)

Note 8—Commitments and Contingencies

The Company is not currently subject to any known material contingencies arising from its business operations, nor to any material known or threatened litigation.

In April 2015, the Company entered into a lease agreement for office space. The lease expires July 31, 2019. The lease commenced June 1, 2015 and had an initial monthly payment of $10,032, which increased to $10,200 in June 2016, $10,366 in June 2017, and $10,534 in June 2018. As of December 31, 2018, future minimum lease payments are as follows:

($ in thousands) **Year Ending December 31,**	**Future Rental Payments**
2019	$ 74
2020	—
2021	—
2022	—
2023 and beyond	—
	$ 74

Subsequent to December 31, 2018, the Company entered into an extension of their lease agreement for office space through to July 31, 2020.

Note 9—Stockholders' Equity and Non-controlling Interests

On November 30, 2016, the Company agreed to sell 3.1 million shares of its common stock at a $0.01 par value per share, at a public offering price of $11.25 per share and generated gross proceeds of $33.3 million. The aggregate net proceeds to the Company, after deducting fees payable by the Company, were $32.9 million. Pursuant to the terms of the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to an additional 0.5 million shares of common stock, which was not exercised. The common stock was offered and sold pursuant to a prospectus supplement, dated November 30, 2016, and a base prospectus, dated May 14, 2015 relating to the Company's effective shelf registration statement on Form S-3.

As of December 31, 2018 and 2017, the Company had 35.2 million and 38.0 million, respectively, fully diluted outstanding shares, including Common units and restricted shares of common stock.

Non-controlling Interest in Operating Partnership

The Company consolidates its Operating Partnership, a majority-owned partnership. As of December 31, 2018, the Company owned 87.0% of the outstanding Common units and the remaining 13.0% of the Common units are included in non-controlling interest in Operating Partnership on the consolidated balance sheets.

On or after 12 months after becoming a holder of Class A Common units, each limited partner, other than the Company, has the right, subject to the terms and conditions set forth in the partnership agreement of the Operating Partnership, to tender for redemption all or a portion of such units in exchange for a cash amount equal to the number of tendered units multiplied by the fair market value of a share of the Company's common stock (determined in accordance with, and subject to adjustment under, the terms of the partnership agreement of the Operating Partnership), unless the terms of such units or a separate agreement entered into between the Operating Partnership and the holder of such units provide that they do not have a right of redemption or provide for a shorter or longer period before such holder may exercise such right of redemption or impose conditions on the exercise of such right of redemption. On or before the close of business on the tenth business day after the Company receives a notice of redemption, the Company may, as the parent of the general partner, in its sole and absolute discretion, but subject to the restrictions on the ownership of common stock

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Notes to Consolidated Financial Statements (Continued)

imposed under the Company's charter and the transfer restrictions and other limitations thereof, elect to acquire some or all of the tendered units in exchange for cash or shares of the Company's common stock, based on an exchange ratio of one share of common stock for each Common unit (subject to anti-dilution adjustments provided in the partnership agreement). As of December 31, 2018, there were 4.6 million outstanding Common units eligible to be tendered for redemption.

If the Company gives the limited partners notice of its intention to make an extraordinary distribution of cash or property to its stockholders or effect a merger, a sale of all or substantially all of its assets, or any other similar extraordinary transaction, each limited partner may exercise its right to tender its Common units for redemption, regardless of the length of time such limited partner has held its Common units.

Regardless of the rights described above, the Operating Partnership will not have an obligation to issue cash to a unitholder upon a redemption request if the Company elects to redeem the Common units for shares of common stock. When a Common unit is redeemed, non-controlling interest in the Operating Partnership is reduced and stockholders' equity is increased.

The Operating Partnership intends to make distributions on each Common unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the Common units held by the Company being utilized to make distributions to the Company's common stockholders.

Pursuant to the consolidation accounting standard with respect to the accounting and reporting for non-controlling interest changes and changes in ownership interest of a subsidiary, changes in parent's ownership interest when the parent retains controlling interest in the subsidiary should be accounted for as equity transactions. The carrying amount of the non-controlling interest shall be adjusted to reflect the change in its ownership interest in the subsidiary, with the offset to equity attributable to the parent. As a result of equity transactions including and subsequent to the IPO, changes in the ownership percentages between the Company's stockholders' equity and non-controlling interest in the Operating Partnership occurred during the three years ended December 31, 2018. To reflect these changes, adjustments were made to increase / (decrease) the non-controlling interest in the Operating Partnership by ($0.4) million, $2.7 million, and ($3.4) million during the years ended December 31, 2018, 2017 and 2016 respectively, with the corresponding offsets to additional paid-in capital.

Redeemable Non-controlling Interest in Operating Partnership, Class A Common Units

On June 2, 2015, the Company issued 2.0 million Common units in conjunction with an asset acquisition. Beginning on June 2, 2016, the Common units became eligible to be tendered for redemption for cash, or at the Company's option, for shares of common stock on a one for one basis. In connection with its annual meeting of stockholders held on May 25, 2016, the Company obtained stockholder approval to issue shares of its common stock upon the redemption of 0.9 million of the Common units (the "Excess Units"). Prior to such stockholder approval, the Company would have been required to redeem the Excess Units for cash. As the tender for redemption of the Excess Units for shares of common stock was outside of the control of the Company until May 25, 2016, these units were accounted for as mezzanine equity on the consolidated balance sheets as of December 31, 2015. After the redemption became within the control of the Company these excess units formed part of the non-controlling interests in the Operating Partnership. The Company elected to accrete the change in redemption value of the Excess Units subsequent to issuance and during the respective 12-month holding period, after which point the units were marked to redemption value at each reporting period.

Redeemable Non-controlling Interests in Operating Partnership, Series A preferred units

On March 2, 2016, the sole general partner of the Operating Partnership entered into Amendment No. 1 (the "Amendment") to the Partnership Agreement in order to provide for the issuance, and the designation of the terms and conditions, of the Series A preferred units. Under the Amendment, among other things, each Series A preferred unit has a $1,000 liquidation preference and is entitled to receive cumulative preferential cash distributions at a rate of 3.00% per

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Notes to Consolidated Financial Statements (Continued)

annum of the $1,000 liquidation preference, which is payable annually in arrears on January 15 of each year or the next succeeding business day. The cash distributions are accrued ratably over the year and credited to redeemable non-controlling interest in operating partnership, Series A preferred units on the balance sheet with the offset recorded to additional paid-in capital. On March 2, 2016, 0.1 million Series A preferred units were issued as partial consideration in the Forsythe farm acquisition (See "Note 5—Real Estate"). Upon any voluntary or involuntary liquidation or dissolution, the Series A preferred units are entitled to a priority distribution ahead of Common units in an amount equal to the liquidation preference plus an amount equal to all distributions accumulated and unpaid to the date of such cash distribution. Total liquidation value of such Series A preferred units as of December 31, 2018 was $120.5 million including accrued distributions.

On or after March 2, 2026, the tenth anniversary of the closing of the Forsythe acquisition (the "Conversion Right Date"), holders of the Series A preferred units have the right to convert each Series A preferred unit into a number of Common units equal to (i) the $1,000 liquidation preference plus all accrued and unpaid distributions, divided by (ii) the volume-weighted average price per share of the Company's common stock for the 20 trading days immediately preceding the applicable conversion date. All Common units received upon conversion may be immediately tendered for redemption for cash or, at the Company's option, for shares of common stock on a one-for-one basis, subject to the terms and conditions set forth in the Partnership Agreement. Prior to the Conversion Right Date, the Series A preferred units may not be tendered for redemption by the Holder.

On or after March 2, 2021, the fifth anniversary of the closing of the Forsythe acquisition, but prior to the Conversion Right Date, the Operating Partnership has the right to redeem some or all of the Series A preferred units, at any time and from time to time, for cash in an amount per unit equal to the $1,000 liquidation preference plus all accrued and unpaid distributions.

In the event of a Termination Transaction (as defined in the Partnership Agreement) prior to conversion, holders of the Series A preferred units generally have the right to receive the same consideration as holders of Common units and common stock, on an as-converted basis.

Holders of the Series A preferred units have no voting rights except with respect to (i) the issuance of partnership units of the Operating Partnership senior to the Series A preferred units as to the right to receive distributions and upon liquidation, dissolution or winding up of the Operating Partnership, (ii) the issuance of additional Series A preferred units and (iii) amendments to the Partnership Agreement that materially and adversely affect the rights or benefits of the holders of the Series A preferred units.

The Series A preferred units will convert into a variable number of Common Shares and the Company does not control whether it will have enough shares authorized to issue shares at the time of conversion. Therefore, the Series A preferred units are accounted for as mezzanine equity on the consolidated balance sheet.

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Notes to Consolidated Financial Statements (Continued)

The following table summarizes the changes in our redeemable non-controlling interest in the Operating Partnership for the years ended December 31, 2018 and 2017:

	Common		Preferred	
($ in thousands)	Redeemable OP Units	Redeemable Non-controlling Interests	Redeemable OP Units	Redeemable Non-controlling Interests
Balance at December 31, 2016	—	$ —	117	$ 119,915
Distribution paid to non-controlling interest	—	—	—	(2,915)
Accrued distributions to non-controlling interest	—	—	—	3,510
Balance at December 31, 2017	—	$ —	117	$ 120,510
Balance at December 31, 2017	—	$ —	117	$ 120,510
Distribution paid to non-controlling interest	—	—	—	(3,510)
Accrued distributions to non-controlling interest	—	—	—	3,510
Balance at December 31, 2018	—	$ —	117	$ 120,510

Series B Participating Preferred Stock

On August 17, 2017, the Company and the Operating Partnership entered into an underwriting agreement with Raymond James & Associates, Inc. and Jefferies LLC, as representatives of the underwriters, pursuant to which the Company sold 6,037,500 shares of its newly designated Series B Participating Preferred Stock, at a public offering price of $25.00 per share, which is the Initial Liquidation Preference (as defined below) of the Series B Participating Preferred Stock.

Shares of Series B Participating Preferred Stock, which represent equity interests in the Company, generally have no voting rights and rank senior to the Company's common stock with respect to dividend rights and rights upon liquidation. Each preferred share of Series B Participating Preferred Stock is entitled to receive cumulative preferential cash dividends at a rate of 6.00% per annum of the $25 liquidation preference, which is payable quarterly in arrears on the last day of each March, June, September and December (the "Initial Liquidation Preference"). Upon liquidation, before any payment or distribution of the assets of the Company is made to or set apart for the holders of equity securities ranking junior to the Series B Participating Preferred Stock, the holders of the Series B Participating Preferred Stock will be entitled to receive the sum of:

(i) the Initial Liquidation Preference,

(ii) adjusted by an amount equal to 50% of the cumulative change in the estimated value of farmland in the states in which the Company owned farmland as of June 30, 2017 (measured by reference to a publicly available report released annually by the National Agricultural Statistics Board, the Agricultural Statistics Board and the U.S. Department of Agriculture) (the "FVA Adjustment"), and

(iii) all accrued and unpaid dividends, subject to a 9.0% cap on total return (the "Final Liquidation Preference").

After September 30, 2021, but prior to September 30, 2024, the Company at its option, may redeem all, but not less than all, of the then-outstanding shares of Series B Participating Preferred Stock at any time, for cash or for shares of common stock at a price equal to the Final Liquidation Preference plus an amount equal to the product of:

(i) the Final Liquidation Preference, and

(ii) the average change in land values in states in which the Company owned farmland as of June 30, 2017 over the immediately preceding four years and multiplied by a constant percentage of 50% and prorated for the number of days between the most recent release of the publicly available land value report used to calculate the FVA Adjustment (if such amount is positive) (the "Premium Amount") .

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Notes to Consolidated Financial Statements (Continued)

At any time on or after September 30, 2024, the Company, at its option, may redeem or convert to shares of common stock all, but not less than all, of the then-outstanding shares of Series B Participating Preferred Stock at the redemption price per share equal to:

(i) the Initial Liquidation Preference, plus

(ii) the FVA Amount, plus

(iii) any accrued and unpaid dividends.

The total rate of return on shares of the Series B Participating Preferred Stock is subject to a cap such that the total rate of return, when considering the Initial Liquidation Preference, the FVA Adjustment and the Premium Amount plus accrued and unpaid dividends, will not exceed 9.0%. Based on the data released by the USDA in August 2018 in their land values 2018 summary, the FVA adjustment for 2018 was determined to be $0.21 per share of Series B Participating Preferred Stock.

In connection with the issuance of the Series B Participating Preferred Stock, the sole general partner of the Operating Partnership entered into Amendment No. 2 to the Partnership Agreement in order to provide for the issuance, and the designation of the terms and conditions, of newly classified 6.00% Series B participating preferred units of limited partnership interest in the Operating Partnership ("Series B participating preferred units"), the economic terms of which are identical to those of the Series B Participating Preferred Stock. The Company contributed the net proceeds from the offering of the Series B Participating Preferred Stock to the Operating Partnership in exchange for 6,037,500 Series B participating preferred units.

The shares of Series B Participating Preferred Stock are accounted for as mezzanine equity on the consolidated balance sheet as the Series B Participating Preferred Stock is convertible and redeemable for common shares at a determinable price and date at the option of the Company but upon the occurrence of an event not solely within the control of the Company.

During the year ended December 31, 2018 and 2017, the balance recorded in mezzanine equity relating to the Series B Participating Preferred Stock was $143.8 million and $ 144.2 million, respectively. During the year ended December 31, 2018, and December 31, 2017 the Company declared and paid dividends relating to the Series B Participating Preferred Stock of $9.1 million and $3.3 million, respectively.

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Notes to Consolidated Financial Statements (Continued)

Distributions

The Company's Board of Directors declared and and the Company paid the following distributions to common stockholders and holders of Common units for the years ended December 31, 2018, 2017 and 2016:

Fiscal Year	Declaration Date	Record Date	Payment Date		Distributions per Common Share/OP unit
2018	February 13, 2018	April 2, 2018	April 16, 2018		0.1275
	May 1, 2018	July 2, 2018	July 16, 2018		0.1275
	August 8, 2018	October 1, 2018	October 15, 2018	$	0.0500
	November 5, 2018	January 1, 2019	January 15, 2019		0.0500
				$	0.3550
2017					
	February 22, 2017	April 1, 2017	April 14, 2017		0.1275
	May 8, 2017	June 30, 2017	July 14, 2017		0.1275
	July 19, 2017	October 2, 2017	October 13, 2017		0.1275
	November 8, 2017	January 2, 2018	January 16, 2018		0.1275
				$	0.5100
2016					
	March 8, 2016	April 1, 2016	April 15, 2016	$	0.1275
	May 9, 2016	July 1, 2016	July 15, 2016		0.1275
	August 3, 2016	September 30, 2016	October 14, 2016		0.1275
	November 3, 2016	January 2, 2017	January 13, 2017		0.1275
				$	0.5100

Additionally, in connection with the 3.00% cumulative preferential distribution on the Series A preferred units, the Company accrued $3.5 million in distributions payable as of December 31, 2018 which was paid on January 15, 2019. The distributions are payable annually in arrears on January 15 or the next business day, of each year.

In general, common stock cash dividends declared by the Company will be considered ordinary income to stockholders for income tax purposes. From time to time, a portion of the Company's dividends may be characterized as capital gains or return of capital. During the years ended December 31, 2018, 2017 and 2016 13%, 52% and 100% respectively, of the income distributed in the form of dividends was characterized as ordinary income.

Share Repurchase Program

On March 15, 2017, the Board of Directors approved a program to repurchase up to $25 million in shares of the Company's common stock. Subsequently on August 1, 2018, our Board of Directors increased the authority under the share repurchase program by an aggregate of $30 million such that the amount of shares of our common stock and Series B participating preferred stock that may be repurchased is now approximately $38.5 million. Repurchases under this program may be made from time to time, in amounts and prices as the Company deems appropriate. Repurchases may be made in open market or privately negotiated transactions in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, subject to market conditions, applicable legal requirements, trading restrictions under the Company's insider trading policy and other relevant factors. In November 2017, the Board of Directors approved repurchases of the Company's Series B Participating Preferred Stock from time to time under the share repurchase program. This share repurchase program does not obligate the Company to acquire any particular amount of common stock or Series B Preferred Stock and it may be modified or suspended at any time at the Company's discretion. The Company expects to fund repurchases under the program using cash on its balance sheet. During 2018, the Company had repurchased 3,048,147 shares at an average price per share of $6.76 for a total cost of approximately $20.6 million.

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Notes to Consolidated Financial Statements (Continued)

Equity Incentive Plan

On May 3, 2017, the Company's stockholders approved the Second Amended and Restated 2014 Equity Incentive Plan (as amended and restated, the "Plan"), which increased the aggregate number of shares of the Company's common stock reserved for issuance under the Plan to approximately 1.3 million shares. As of December 31, 2018, there were 0.6 million of shares available for future grants under the Plan.

The Company may issue equity-based awards to officers, employees, independent contractors and other eligible persons under the Plan. The Plan provides for the grant of stock options, share awards (including restricted stock and restricted stock units), stock appreciation rights, dividend equivalent rights, performance awards, annual incentive cash awards and other equity based awards, including LTIP units, which are convertible on a one-for-one basis into Common units. The Plan provides for a maximum of 1.3 million shares of common stock for issuance. The terms of each grant are determined by the Compensation Committee of the Board of Directors.

During 2018 the Company granted 0.2 million restricted shares of common stock, with an aggregate grant date fair value of $1.2 million, to employees and directors. The restricted shares vest ratably over a one, three or five-year vesting period, subject to continued service.

During 2017 the Company granted 0.2 million restricted shares of common stock, with an aggregate grant date fair value of $2.3 million, to employees and newly appointed directors. The restricted shares vest ratably over a one, three or five year vesting period, subject to continued service. During 2016 the Company granted $0.1 million restricted shares of common stock, with an aggregate grant date fair value of $1.3 million, to employees and directors. The restricted shares vest ratably over a three vesting period, subject to continued service.

During 2018, 11,270 restricted shares of common stock were forfeited by independent directors and employees. The Company had recorded $33,896 in stock based compensation and paid $6,472 in dividends with respect to such restricted shares. In connection with the forfeiture of restricted shares, the Company reversed $2,519 in previously recorded compensation expense, net of the dividends paid.

During 2017, 8,848 restricted shares of common stock were forfeited by independent directors and employees. The Company had recorded $30,078 in stock based compensation and paid $3,659 in dividends with respect to such restricted shares. In connection with the forfeiture of restricted shares, the Company reversed $16,771 in previously recorded compensation expense, net of the dividends paid.

During 2016, 5,032 restricted shares of common stock were forfeited by independent directors and employees. The Company had recorded $4,167 in stock based compensation and paid $815 in dividends with respect to such restricted shares. In connection with the forfeiture of restricted shares, the Company reversed $3,352 in previously recorded compensation expense, net of the dividends paid.

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Notes to Consolidated Financial Statements (Continued)

A summary of the non-vested restricted shares as of December 31, 2018, 2017 and 2016 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at January 1, 2016	145	13.87
Granted	119	10.78
Vested	(70)	13.96
Forfeited	(5)	11.09
Unvested at December 31, 2016	189	11.98
Granted	205	11.30
Vested	(108)	12.84
Forfeited	(9)	11.00
Unvested at December 31, 2017	277	11.16
Granted	162	7.67
Vested	(129)	8.54
Forfeited	(11)	8.11
Unvested at December 31, 2018	299	$ 9.49

For the years ended December 31, 2018, 2017 and 2016, the Company recognized $ 1.7 million, $ 1.4 million and $1.2 million , respectively, of stock-based compensation expense related to these restricted stock awards. As of December 31, 2018, 2017 and 2016, there was $1.6 million, $2.1 million and $1.2 million , respectively, of total unrecognized compensation costs related to non-vested stock awards which are expected to be recognized over weighted-average periods of 1.2 years.

Earnings per Share

The computation of basic and diluted earnings (loss) per share is as follows:

	For the year ended December 31,		
($ in thousands)	2018	2017	2016
Numerator:			
Net income (loss) attributable to Farmland Partners Inc.	$ 12,254	$ 7,914	$ 4,302
Less: Nonforfeitable distributions allocated to unvested restricted shares	(111)	(151)	(96)
Less: Distributions on redeemable non-controlling interersts in operating partnership, Common units	—	—	(113)
Less: Distributions on redeemable non-controlling interests in operating partnership, Series A Preferred units	(3,510)	(3,510)	(2,915)
Less: Dividends on Series B Participating Preferred Stock	(9,053)	(3,346)	—
Net (loss) income attributable to common stockholders	$ (420)	$ 907	$ 1,178
Denominator:			
Weighted-average number of common shares - basic	32,162	31,210	13,204
Conversion of Series A preferred units [(1)]	—	—	—
Conversion of Series B participating preferred stock	—	—	—
Unvested restricted shares [(1)]	—	—	—
Weighted-average number of common shares - diluted	32,162	31,210	13,204
Income (loss) per share attributable to common stockholders - basic	$ (0.01)	$ 0.03	$ 0.09
Income (loss) per share attributable to common stockholders - diluted	$ (0.01)	$ 0.03	$ 0.09

(1) Anti-dilutive for the year ended December 31, 2018, 2017 and 2016.

The limited partners’ outstanding Common units (which may be redeemed for shares of common stock) and Excess Units have been excluded from the diluted earnings per share calculation as there would be no effect on the amounts since the limited partners’ share of income would also be added back to net income. Any anti-dilutive shares have been excluded from the diluted earnings per share calculation. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the

Farmland Partners Inc.
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computation of earnings per share pursuant to the two-class method. Accordingly, distributed and undistributed earnings attributable to unvested restricted shares (participating securities) have been excluded, as applicable, from net income or loss attributable to common stockholders utilized in the basic and diluted earnings per share calculations. Net income or loss figures are presented net of non-controlling interests in the earnings per share calculations. The weighted average number of Common units held by the non-controlling interest was 4.6 million and 5.9 million for the years ended December 31, 2018 and 2017, respectively. The weighted average number of Excess Units held by the non-controlling interest was 0.0 million for the year ended December 31, 2018. There were 0.0 million Excess Units outstanding during the year ended December 31, 2017.

For the year ended December 31, 2018, diluted weighted average common shares do not include the impact of 0.3 million shares of unvested compensation-related shares because the effect of these items on diluted earnings per share would be anti-dilutive. For the year ended December 31, 2017, diluted weighted average common shares do not include the impact of 0. 3 million shares of unvested compensation-related shares because the effect of these items on diluted earnings per share would be anti-dilutive.

The following equity awards and units are outstanding as of December 31, 2018, 2017 and 2016, respectively.

(in thousands)	December 31, 2018	December 31, 2017	December 31, 2016
Shares	30,295	33,058	17,163
OP Units	4,582	4,739	5,692
Redeemable OP Units	—	—	—
Unvested Restricted Stock Awards	299	276	188
	35,176	38,073	23,043

Note 10—Quarterly Financial Information (unaudited)

The following table reflects the quarterly results of operations for the years ended December 31, 2018 and 2017.

	Quarter Ended			
($ in thousands)	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Operating revenues	$ 11,207	11,419	12,549	20,894
Operating expenses	6,386	6,231	6,394	7,365
Other expenses	4,318	4,207	1,998	5,130
Net (loss) income before income tax	503	981	4,157	8,399
Income tax expense	—	—	—	—
Net (loss) income	$ 503	$ 981	$ 4,157	$ 8,399
Net (loss) available to common stockholders of Farmland Partners Inc.	$ (2,744)	$ (2,323)	$ 484	$ 4,163
Basic net (loss) per share available to common stockholders [(1)]	$ (0.08)	$ (0.07)	$ 0.02	$ 0.12
Diluted net (loss) per share available to common stockholders [(1)]	$ (0.08)	$ (0.07)	$ 0.02	$ 0.09
Basic weighted average common shares outstanding	33,014	32,542	32,222	30,889
Diluted weighted average common shares outstanding	33,014	32,542	32,222	86,025

(1) The basic and diluted net (loss) income for the quarters do not equal full year results due to issuance of common stock throughout the year and rounding.

	Quarter Ended			
($ in thousands)	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Operating revenues	$ 7,150	$ 11,460	$ 12,046	$ 15,563
Operating expenses	6,442	5,909	5,932	5,408
Other expenses	2,709	3,530	3,504	3,627
Net (loss) income before income tax	(2,001)	2,021	2,610	6,528
State income tax expense	—	—	—	—
Net (loss) income	$ (2,001)	$ 2,021	$ 2,610	$ 6,528
Net (loss) income available to common stockholders of Farmland Partners Inc.	$ (2,547)	$ 772	$ 221	$ 2,461

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Notes to Consolidated Financial Statements (Continued)

Note 11—Subsequent Events

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through March 8, 2019, the day the financial statements were issued.

See “Note 8—Commitments and Contingencies” for real estate acquisitions that occurred subsequent to December 31, 2018.

On February 7, 2019 the Company’s Board of Directors declared a cash dividend of $0.05 per share of common stock. The dividend is payable to the Company’s stockholders of record as of April 1, 2019, and is expected to be paid on April 15, 201 9.

On February 7, 2019 the Company’s board of directors declared a quarterly cash dividend of $0.375 per share of 6.00% Series B Participating Preferred Stock payable on April 1, 2019 to stockholders of record as of March 15, 2019.

On February 19, 2019 the Company sold four farms in Illinois for $4.7 million and a booked gain of $0.4 million.

Subsequent to December 31, 2018, the Company entered into an extension of their lease agreement for office space through to July 31, 2020.

Subsequent to December 31, 2018, two holders of our Operating Partnership Common Units redeemed and converted approximately 2.2 million shares of their Common Units to common stock in a one for one transaction.

Note 12—Hedge Accounting

Cash Flow Hedging Strategy

For derivative instruments that are designated and qualify as a cash flow hedge (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk), the entire change in the fair value of the Company’s designated cash flow hedges is recorded to accumulated other comprehensive income, a component of shareholders’ equity in the Company’s consolidated balance sheets.

The Company has entered into an interest rate swap agreement to manage interest rate risk exposure. An interest rate swap agreement utilized by the Company effectively modifies the Company’s exposure to interest rate risk by converting the Company’s floating-rate debt to a fixed rate basis for the next five years on 50% of the currently outstanding amount to Rabobank, thus reducing the impact of interest rate changes on future interest expense. This agreement involves the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreement without an exchange of the underlying principal amount.

In determining hedge effectiveness of the interest rate swap the Company has utilized regression analysis and concluded the hedge was highly effective. On an ongoing basis the Company reviews hedge effectiveness, through regression analysis as well as assessing the hedge relationship by comparing the current terms of the swap and the associated debt to ensure they continue to coincide through the continued ability of the Counterparty to the swap to honor its obligations under the swap contract.

As of December 31, 2018, the total notional amount of the Company’s receive-variable/pay-fixed interest rate swaps was $33.2 million.

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Notes to Consolidated Financial Statements (Continued)

The fair value of the Company's derivative instrument is set out below:

($ in thousands)

Instrument	Balance sheet location	Fair Value
Interest rate swap	Derivative liability	$ (865)
	Other Comprehensive Income	865

The effect of derivative instruments on the consolidated statements of operations for the period ended December 31, 2018 is set out below:

($ in thousands) Cash flow hedging relationships	Amount of Gain / (Loss) recognized in OCI on derivative	Location of Gain (Loss) reclassified from Accumulated OCI into income
Interest rate contracts	84	Interest expense

As the interest rate swap was entered into during the 2018 financial year, there was no impact on the year ended December 31, 2017.

FASB ASC 820-10 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1* —Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- *Level 2* —Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable or can be substantially corroborated for the asset or liability, either directly or indirectly.
- *Level 3* —Inputs to the valuation methodology are unobservable, supported by little or no market activity and are significant to the fair value measurement.

The fair values of the Company's interest rate swap agreements are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts, which is considered a Level 2 measurement under the fair value hierarchy. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

The following table outlines the movements in the other comprehensive income account as at December 31, 2018 and December 31, 2017:

($ in thousands)	December 31, 2018	December 31, 2017
Beginning accumulated derivative instrument gain or loss	$ —	$ —
Net change associated with current period hedging transactions	865	—
Net amount of reclassification into earnings	—	—
Difference between a change in fair value of excluded components	—	—
Closing accumulated derivative instrument gain or loss	$ 865	$ —

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($ In Thousands)

		Initial Cost to Company			Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period						
Description	Encumbrances	Land	Improvements	Total	Improvements	Land Improvements	Land	Improvements	Total	Accumulated Depreciation	Date of Construction	Date Acquired	Life on Which Depreciation in Latest Income Statements is Computed
California	(m)	44,994	-	44,994	-	-	44,994	-	44,994	-		2017	-
North Carolina	(d)	41,906	-	41,906	5	23	41,929	5	41,934	-		2015	-
California	(m)	33,482	-	33,482	-	-	33,482	-	33,482	-		2017	-
Illinois	(k)	29,627	431	30,058	2,267	-	29,677	2,699	32,376	128	2017	2017	14
Louisiana	(g)	30,584	1,180	31,764	172	254	30,838	1,352	32,189	151	2017	2016	30
California	(p), (s)	19,925	11,521	31,445	255	-	19,925	11,776	31,700	2,160	2017	2017	12
California	(m)	31,567	-	31,567	-	-	31,567	-	31,567	-		2017	-
Illinois	(k)	22,937	1,484	24,421	1,322	(11)	22,926	2,780	25,706	136	2017	2017	23
California	(r)	7,647	11,518	19,164	207	-	7,647	11,725	19,371	922	2017	2017	20
South Carolina	(t)	12,057	1,474	13,531	5,767	53	12,110	7,251	19,360	500	2017	2014	24
California	(s)	9,998	8,116	18,114	-	-	9,998	8,116	18,114	1,053	2017	2017	14
California	(s)	10,947	6,878	17,825	64	-	10,947	6,942	17,889	766	2017	2017	21
North Carolina	(v)	17,627	-	17,627	-	-	17,627	-	17,627	-	2018	2018	-
South Carolina	(l)	14,866	906	15,772	239	-	14,866	1,145	16,011	69	2017	2017	29
California	(s)	11,888	3,398	15,286	(58)	-	11,888	3,340	15,228	470	2017	2017	15
Illinois	(f)	9,689	420	10,109	(5)	4,497	14,186	415	14,601	65		2016	21
California	(q)	8,326	6,075	14,401	16	-	8,326	6,091	14,417	430	2017	2017	25
California	(p)	9,043	4,546	13,589	2	-	9,043	4,549	13,592	528	2017	2017	17
California	(q), (s)	10,167	2,902	13,069	421	-	10,167	3,323	13,490	473	2017	2017	13
Florida	(a)	9,295	202	9,497	730	3,036	12,331	932	13,263	39	2017	2016	38
Florida	(q)	10,715	1,508	12,223	84	-	10,715	1,591	12,306	225	2017	2017	16
Colorado	(t)	10,716	70	10,786	-	-	10,716	70	10,786	9		2014	39
California	(p)	7,492	2,889	10,380	318	-	7,492	3,207	10,698	414	2017	2017	12
Michigan	(l)	7,800	2,051	9,851	9	-	7,800	2,060	9,860	151	2017	2017	25
California	(r)	9,534	263	9,796	2	-	9,534	265	9,799	50	2017	2017	14
California	(s)	6,191	2,772	8,963	-	-	6,191	2,772	8,963	320	2017	2017	11
South Carolina	(d)	8,633	133	8,766	130	-	8,633	263	8,896	26	2017	2015	25
California	(q)	4,710	3,317	8,027	-	-	4,710	3,317	8,027	273	2017	2017	15
Virginia	(d)	7,277	-	7,277	-	-	7,277	-	7,277	-		2015	-
Arkansas	(t)	6,914	287	7,201	22	16	6,930	309	7,239	50	2017	2014	24
North Carolina	(d)	7,239	-	7,239	-	-	7,239	-	7,239	-		2015	-
South Carolina	(t)	4,679	25	4,704	2,323	4	4,683	2,373	7,056	278	2017, 2016, 2015	2014	33
Florida	(o)	6,402	593	6,995	35	-	6,402	628	7,030	123	2017	2017	12
Mississippi	(t)	6,654	133	6,787	3	-	6,654	136	6,790	21		2014	25
South Dakota	(l)	6,731	-	6,731	-	-	6,731	-	6,731	-		2017	-
Illinois	(f)	5,453	105	5,558	7	1,022	6,475	112	6,587	12		2016	23
Alabama	(q)	1,719	1,883	3,602	1,047	1,854	3,574	2,930	6,504	930	2017	2017	16
Texas	(n)	4,188	1,929	6,117	343	-	4,188	2,272	6,460	302	2016	2016	27
Florida	(q)	2,674	3,565	6,239	-	-	2,674	3,565	6,239	497	2017	2017	12
Arkansas	(i)	5,924	244	6,168	-	-	5,924	244	6,168	43		2015	21
North Carolina	(d)	5,750	-	5,750	-	4	5,754	-	5,754	-		2015	-
Arkansas	(o)	5,532	101	5,633	-	3	5,535	100	5,635	19	2017	2017	9
Illinois	(f)	6,086	-	6,086	450	(909)	5,177	450	5,627	11		2016	-
Mississippi	(i)	5,338	238	5,576	-	-	5,338	238	5,576	56		2015	15
Colorado	(j)	792	4,731	5,523	-	1	793	4,731	5,524	198	2017	2016	16
Colorado	(l)	4,156	1,280	5,436	(3)	-	4,156	1,277	5,433	93	2017	2017	26
Arkansas		5,169	185	5,354	27	-	5,169	185	5,354	23	2017	2017	15
Louisiana	(t)	5,100	52	5,152	154	-	5,100	206	5,306	52	2017, 2016, 2015	2014	17
Illinois	(f)	5,493	-	5,493	338	(801)	4,692	338	5,030	68	2017	2016	10
Arkansas	(t)	4,536	50	4,586	81	-	4,536	131	4,666	16	2017	2014	17
Illinois	(o)	4,575	-	4,575	-	-	4,575	-	4,575	-		2017	-
California		2,461	1,974	4,435	-	-	2,461	1,974	4,435	167	2017	2017	17
South Carolina	(t)	2,235	-	2,235	1,557	519	2,754	1,557	4,311	174	2017, 2016, 2015	2014	28
North Carolina	(d)	4,242	-	4,242	-	4	4,246	-	4,246	-		2015	-
Arkansas	(j)	4,035	38	4,073	134	-	4,035	172	4,207	9	2017	2016	28

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Illinois	(f)	4,920	4	4,924	148	(1,025)	3,895	152	4,047	5	2017	2016	50
Colorado	(t)	3,566	359	3,925	67	-	3,566	426	3,992	63	2017	2014	21
North Carolina	(d)	3,864	-	3,864	-	8	3,872	-	3,872	-		2015	-
Illinois	(f)	4,350	-	4,350	-	(572)	3,778	-	3,778	-		2016	-
Arkansas	(b)	3,264	165	3,429	201	97	3,361	364	3,725	60	2017, 2016	2014	27
Illinois	(f)	3,821	-	3,821	-	(97)	3,724	-	3,724	-		2016	-
Georgia	(i)	3,306	368	3,674	18	-	3,306	386	3,692	53	2017	2015	22
Illinois	(h)	2,981	-	2,981	634	-	2,981	634	3,615	186	2017, 2009	2007 & 2010	38
Georgia	(q)	3,574	2,922	6,496	(1,047)	(1,854)	1,719	1,875	3,595	161	2017	2017	11
Illinois	(f)	3,186	-	3,186	-	407	3,593	-	3,593	-		2016	-
Illinois	(f)	4,522	4	4,526	-	(950)	3,572	4	3,576	-		2016	10
Mississippi	(b)	3,471	41	3,512	63	-	3,471	104	3,575	9	2017	2015	34
Illinois	(f)	3,232	-	3,232	-	261	3,493	-	3,493	-		2016	-
Illinois	(h)	1,290	-	1,290	2,199	-	1,290	2,199	3,488	355	2017, 2015, 2011	2007	38
Arkansas	(t)	3,277	145	3,422	37	27	3,304	182	3,487	34	2017	2014	21
Nebraska	(t)	1,881	55	1,936	1,428	1	1,882	1,531	3,413	339	2017, 2015, 2012	2012	30
South Carolina	(b)	1,959	344	2,303	1,012	-	1,959	1,314	3,273	99	2017, 2015	2015	35
Illinois	(f)	3,500	28	3,528	361	(699)	2,801	389	3,190	15		2016	15
Illinois	(o)	3,163	-	3,163	-	-	3,163	-	3,163	-		2017	-
Illinois	(f)	3,541	-	3,541	-	(478)	3,063	-	3,063	-		2016	-
Arkansas	(e)	2,808	184	2,992	58	7	2,815	242	3,057	50	2017	2015	18
Arkansas	(t)	2,985	156	3,141	8	(96)	2,889	164	3,053	43		2014	16
South Carolina	(t)	2,199	138	2,337	667	22	2,221	803	3,024	61	2017	2014	30
Colorado	(t)	3,099	-	3,099	-	(133)	2,966	-	2,966	-		2014	-
Illinois	(f)	2,997	68	3,065	253	(388)	2,609	321	2,930	72	2017, 2016	2016	10
Illinois	(f)	3,470	-	3,470	4	(582)	2,888	4	2,891	-		2016	-
Nebraska	(c)	2,601	114	2,715	122	-	2,601	236	2,837	17	2017, 2016	2015	27
Illinois	(f)	2,882	42	2,924	-	(98)	2,784	42	2,826	9		2016	12
Georgia	(l)	1,905	-	1,905	779	125	2,030	779	2,810	32	2017	2017	32
Illinois	(h)	2,573	-	2,573	236	(1)	2,572	236	2,809	9	2017	2010	50
North Carolina	(v)	2,768	-	2,768	-	-	2,768	-	2,768	-	2018	2018	-
Illinois	(f)	3,277	-	3,277	-	(517)	2,760	-	2,760	-		2016	-
Arkansas	(t)	2,645	40	2,685	3	21	2,666	43	2,709	11		2014	10
Illinois	(f)	2,015	-	2,015	55	636	2,651	55	2,705	4	2017	2016	-
Illinois	(f)	3,058	-	3,058	-	(353)	2,705	-	2,705	-		2016	-
California	(s)	967	1,357	2,324	375	-	967	1,732	2,699	159	2017	2017	16
Nebraska	(c)	2,539	78	2,617	(23)	-	2,539	55	2,594	16		2015	20
Illinois	(f)	2,847	42	2,889	-	(295)	2,552	42	2,594	8		2016	15
Michigan	(i)	904	1,654	2,558	(69)	-	904	1,654	2,558	240	2017	2015	23
Colorado	(b)	1,995	84	2,079	466	-	1,995	550	2,545	77	2017, 2016	2015	18
Illinois	(l)	2,525	-	2,525	-	-	2,525	-	2,525	-		2017	-
Illinois	(f)	1,956	-	1,956	-	557	2,513	-	2,513	-		2016	-
Nebraska	(e)	693	1,785	2,478	7	-	693	1,792	2,484	220		2014	19
Arkansas	(t)	2,262	82	2,344	4	96	2,358	86	2,444	16		2014	27
Illinois	(f)	3,030	-	3,030	-	(600)	2,430	-	2,430	-		2016	-
Illinois	(f)	2,103	105	2,208	-	218	2,321	105	2,426	11	2017	2016	25
Nebraska	(c)	2,280	44	2,324	95	-	2,280	139	2,419	19	2017, 2016	2015	22
Illinois	(f)	1,945	-	1,945	-	473	2,418	-	2,418	-		2016	-
Illinois	(f)	2,718	-	2,718	-	(332)	2,386	-	2,386	-		2016	-
South Carolina	(l)	1,321	91	1,412	691	247	1,567	782	2,349	31	2017	2017	31
Mississippi	(n)	2,321	15	2,336	-	(1)	2,320	15	2,335	3		2016	10
Colorado	(t)	2,328	-	2,328	-	-	2,328	-	2,328	-		2014	-
Illinois	(f)	2,075	-	2,075	-	252	2,327	-	2,327	-		2016	-
South Carolina	(t)	1,803	158	1,961	290	-	1,803	522	2,325	56		2014	26
Arkansas	(t)	2,316	-	2,316	3	-	2,316	3	2,319	-		2014	-
Nebraska	(c)	2,316	126	2,442	(126)	-	2,316	-	2,316	9		2015	-
Illinois	(f)	3,212	-	3,212	95	(996)	2,216	95	2,311	2		2016	-
Colorado		637	1,604	2,241	2	1	637	1,604	2,241	116	2017	2017	50
South Carolina		1,406	806	2,212	12	-	1,406	818	2,224	52	2017	2017	31
North Carolina	(v)	2,177	-	2,177	-	-	2,177	-	2,177	-	2018	2018	-
Illinois	(f)	1,614	94	1,708	-	456	2,070	94	2,163	11	2017	2016	23

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Illinois	(f)	2,682	-	2,682	204	(725)	1,957	204	2,161	7	2017	2016	50
Illinois	(f)	2,423	-	2,423	-	(276)	2,147	-	2,147	-		2016	-
Illinois	(f)	1,769	-	1,769	-	371	2,140	-	2,140	-		2016	-
Colorado	(b)	1,365	663	2,028	101	-	1,365	764	2,129	77		2015	21
Arkansas	(t)	2,014	96	2,110	-	(8)	2,006	96	2,102	21		2014	21
Illinois	(f)	1,643	88	1,731	-	344	1,987	88	2,075	11	2017	2016	23
Illinois	(h)	1,700	-	1,700	225	-	1,700	346	2,046	33	2017	2012	35
Colorado	(e)	1,301	699	2,000	41	-	1,301	740	2,041	64	2017	2015	24
Illinois	(f)	2,402	-	2,402	-	(372)	2,030	-	2,030	-		2016	-
Colorado	(t)	1,817	210	2,027	1	(7)	1,810	211	2,021	81		2014	14
South Carolina	(t)	1,568	-	1,568	371	64	1,632	371	2,003	49		2014	30
Colorado	(j)	1,760	-	1,760	239	-	1,760	239	1,999	14	2017	2016	24
Illinois	(f)	1,996	-	1,996	-	(50)	1,946	-	1,946	-		2016	-
Illinois	(f)	1,972	-	1,972	-	(43)	1,929	-	1,929	-		2016	-
Illinois	(f)	968	-	968	-	957	1,925	-	1,925	-		2016	-
Illinois	(j)	1,905	-	1,905	-	-	1,905	-	1,905	-		2016	-
Colorado	(t)	1,079	812	1,891	-	-	1,079	812	1,891	73		2014	31
Illinois	(f)	2,100	-	2,100	98	(309)	1,791	98	1,889	2		2016	-
Illinois	(f)	1,590	-	1,590	-	280	1,870	-	1,870	-		2016	-
South Carolina	(v)	1,090	-	1,090	758	18	1,108	758	1,866	9	2018	2018	40
Illinois	(f)	1,891	-	1,891	-	(56)	1,835	-	1,835	-		2016	-
Illinois	(f)	1,603	-	1,603	-	228	1,831	-	1,831	-		2016	-
Illinois	(o)	1,825	-	1,825	-	-	1,825	-	1,825	-	2018	2018	-
North Carolina	(d)	1,770	-	1,770	-	-	1,770	-	1,770	-		2015	-
Illinois	(f)	1,256	-	1,256	-	511	1,767	-	1,767	-		2016	-
Illinois	(h)	1,750	-	1,750	-	-	1,750	-	1,750	-		2009	-
Illinois	(o)	1,735	-	1,735	-	-	1,735	-	1,735	-		2017	-
Nebraska	(t)	1,610	32	1,642	81	(2)	1,608	113	1,720	16		2014	24
Nebraska	(t)	1,639	46	1,685	10	(2)	1,637	56	1,694	8		2014	22
Colorado	(t)	1,305	376	1,681	10	-	1,305	386	1,691	163		2014	16
Illinois	(f)	1,439	-	1,439	-	240	1,679	-	1,679	-		2016	-
South Carolina	(n)	1,303	225	1,528	132	-	1,303	357	1,661	29	2017	2016	34
Illinois	(f)	1,859	-	1,859	-	(209)	1,650	-	1,650	-		2016	-
South Carolina	(t)	1,078	-	1,078	548	21	1,099	548	1,647	51	2017	2014	28
Michigan	(i)	779	851	1,630	-	-	779	851	1,630	186	2017	2016	19
Nebraska	(c)	1,314	65	1,379	242	-	1,314	307	1,621	33		2015	20
Nebraska	(t)	1,539	-	1,539	70	(1)	1,539	70	1,608	5	2017	2012	45
Illinois	(f)	1,718	-	1,718	-	(120)	1,598	-	1,598	-		2016	-
Nebraska	(b)	1,244	69	1,313	269	-	1,244	338	1,582	34	2015	2014	22
Illinois	(h)	1,423	60	1,483	(22)	-	1,423	128	1,551	68	2017	2007	27
Illinois	(f)	1,130	35	1,165	-	379	1,509	35	1,544	6		2016	23
Illinois	(f)	729	-	729	-	815	1,544	-	1,544	-		2016	-
Illinois	(f)	1,853	-	1,853	-	(313)	1,540	-	1,540	-		2016	-
Colorado	(t)	1,353	184	1,537	-	-	1,353	184	1,537	102		2014	9
Illinois	(t)	1,500	-	1,500	26	-	1,500	26	1,526	2	2017	2008	50
Kansas	(i)	1,915	-	1,915	-	(395)	1,520	-	1,520	-		2015	-
Illinois	(f)	1,693	-	1,693	109	(317)	1,376	109	1,485	4	2017	2016	50
Illinois	(o)	1,471	-	1,471	-	-	1,471	-	1,471	-	2018	2018	-
Illinois	(f)	1,115	28	1,143	9	318	1,433	37	1,470	5		2016	23
Mississippi	(e)	1,437	33	1,470	-	-	1,437	33	1,470	3		2015	29
Illinois	(f)	1,620	-	1,620	-	(167)	1,453	-	1,453	-		2016	-
Illinois	(f)	1,063	27	1,090	17	348	1,411	27	1,438	6	2016	2016	22
Illinois	(f)	1,675	4	1,679	(4)	(244)	1,431	-	1,431	9	2016	2016	-
Illinois	(f)	1,083	-	1,083	-	336	1,419	-	1,419	-		2016	-
Georgia	(j)	1,330	72	1,402	-	-	1,330	72	1,402	9		2016	18
Nebraska	(b)	1,100	28	1,128	144	-	1,100	276	1,376	19		2014	18
South Carolina	(l)	1,032	170	1,203	159	13	1,045	330	1,374	20	2017	2017	31
Illinois	(f)	1,523	-	1,523	126	(277)	1,246	126	1,372	5	2017	2016	50
Nebraska	(v)	1,149	-	1,149	202	-	1,149	202	1,350	6	2018	2018	40
Nebraska	(c)	1,346	34	1,380	(34)	-	1,346	-	1,346	2		2015	-
Illinois	(f)	1,254	-	1,254	-	83	1,337	-	1,337	-		2016	-

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Nebraska	(i)	1,232	56	1,288	-	31	1,263	56	1,319	6		2015	24
Illinois	(f)	1,126	44	1,170	-	146	1,272	44	1,316	3		2016	31
Nebraska	(c)	1,279	23	1,302	6	-	1,279	29	1,308	11	2017	2015	12
Colorado	(t)	1,238	-	1,238	-	45	1,283	-	1,283	-		2014	-
Nebraska	(c)	1,242	37	1,279	(5)	-	1,242	32	1,273	5		2015	23
Illinois	(b)	1,120	-	1,120	138	-	1,120	138	1,258	9	2017	2008	50
Colorado	(t)	1,030	170	1,200	31	-	1,030	201	1,231	124		2014	11
Illinois	(f)	1,435	-	1,435	-	(204)	1,231	-	1,231	-		2016	-
Illinois	(f)	1,481	-	1,481	-	(254)	1,227	-	1,227	-		2016	-
Illinois	(f)	1,731	-	1,731	-	(515)	1,216	-	1,216	-		2016	-
Illinois	(t)	1,147	-	1,147	60	-	1,147	60	1,207	3	2017	2013	50
Illinois	(h)	1,003	-	1,003	198	-	1,003	198	1,201	42	2017	2008	45
Illinois	(f)	1,219	-	1,219	-	(23)	1,196	-	1,196	-		2016	-
Nebraska	(c)	1,077	33	1,110	80	-	1,077	113	1,189	9	2016	2015	28
Colorado	(t)	579	513	1,092	16	65	644	531	1,175	215		2014	14
Illinois	(f)	1,320	-	1,320	-	(147)	1,173	-	1,173	-		2016	-
North Carolina	(v)	1,161	-	1,161	-	-	1,161	-	1,161	-	2018	2018	-
Illinois	(f)	617	-	617	-	535	1,152	-	1,152	-		2016	-
Nebraska	(h)	1,109	40	1,149	(40)	-	1,109	40	1,149	12		2012	20
Illinois	(f)	845	63	908	-	241	1,086	63	1,149	9	2017	2016	22
Nebraska	(c)	1,136	11	1,147	-	-	1,136	11	1,147	7		2015	6
Colorado	(t)	747	393	1,140	-	-	747	393	1,140	48		2014	26
Illinois	(f)	$ 1,229	$ -	$ 1,229	$ 116	$ (219)	$ 1,010	$ 116	$ 1,126	$ 3		2016	-
Colorado	(t)	1,128	68	1,196	(32)	(45)	1,083	36	1,119	35		2014	3
Illinois	(f)	774	47	821	-	293	1,067	47	1,115	6	2017	2016	25
Illinois	(f)	1,058	-	1,058	-	49	1,107	-	1,107	-		2016	-
Colorado	(t)	1,105	-	1,105	-	-	1,105	-	1,105	-		2014	-
Colorado	(t)	773	323	1,096	-	-	773	323	1,096	46		2014	21
Illinois	(f)	855	55	910	(12)	198	1,053	43	1,096	6		2016	28
Illinois	(f)	708	-	708	-	387	1,095	-	1,095	-		2016	-
Illinois	(f)	844	-	844	-	242	1,086	-	1,086	-		2016	-
Illinois	(f)	854	-	854	-	221	1,075	-	1,075	-		2016	-
Nebraska	(i)	848	197	1,045	4	-	848	219	1,067	38		2014	25
Colorado	(t)	554	443	997	70	(3)	551	513	1,064	51	2017	2014	23
Nebraska	(t)	994	20	1,014	41	(2)	992	61	1,052	11		2014	27
Illinois	(t)	801	97	898	152	-	801	249	1,050	30	2017	2004, 2006, 2016	50
Illinois	(f)	950	40	990	-	46	996	40	1,036	3		2016	32
Colorado	(h)	819	94	913	113	-	819	207	1,026	40	2017	2010	22
Illinois	(f)	727	-	727	-	299	1,026	-	1,026	-		2016	-
Colorado	(e)	809	141	950	64	-	809	205	1,014	26		2015	26
Illinois	(f)	1,171	-	1,171	-	(158)	1,013	-	1,013	-		2016	-
Georgia	(i)	795	65	860	105	31	826	170	997	13	2017	2016	31
Illinois	(h)	991	-	991	-	-	991	-	991	-		2012	-
Kansas	(t)	805	178	983	-	(38)	767	224	990	82		2014	14
Illinois	(f)	800	130	930	-	59	859	130	989	13	2017	2016	27
Illinois	(f)	1,259	-	1,259	-	(273)	986	-	986	-		2016	-
Illinois	(f)	1,119	-	1,119	-	(133)	986	-	986	-		2016	-
Illinois	(f)	775	-	775	3	186	961	3	964	-		2016	-
Georgia	(n)	756	202	958	-	(1)	755	202	958	16		2016	36
Illinois	(h)	923	53	976	(29)	-	923	24	947	2	2017	2011	50
Illinois	(t)	902	34	936	(34)	-	902	34	936	20		2008	21
Illinois	(f)	1,075	-	1,075	70	(230)	845	70	915	2		2016	-
Illinois	(f)	1,080	-	1,080	-	(175)	905	-	905	-		2016	-
Illinois	(f)	864	-	864	-	41	905	-	905	-		2016	-
Colorado	(t)	481	373	854	2	46	527	375	902	160		2014	15
Illinois	(f)	989	-	989	77	(178)	811	77	888	2		2016	-
Illinois	(f)	995	-	995	58	(177)	818	58	875	2	2017	2016	50
Illinois	(f)	975	-	975	-	(100)	875	-	875	-		2016	-
Illinois	(i)	815	-	815	60	-	815	60	875	2	2017	2015	50
Georgia	(j)	718	144	862	10	-	718	154	872	15		2016	25
Nebraska	(b)	862	-	862	-	-	862	-	862	-		2015	-

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Illinois	(f)	972	-	972	-	(114)	858	-	858	-		2016	-
Illinois	(f)	671	96	767	(54)	143	814	42	856	5	2017	2016	28
Illinois	(h)	644	93	737	107	-	644	200	844	30	2017	2000	50
Illinois	(i)	762	-	762	75	-	762	75	837	11	2017	2015	20
Nebraska	(t)	742	-	742	-	-	742	94	836	22		2012	25
Illinois	(b)	700	110	810	20	-	700	130	830	30	2017	2004	50
Illinois	(f)	1,005	-	1,005	-	(180)	825	-	825	-		2016	-
Illinois	(f)	980	-	980	-	(155)	825	-	825	-		2016	-
Illinois	(l)	825	-	825	-	-	825	-	825	-		2017	-
Illinois	(o)	805	-	805	-	-	805	-	805	-		2017	-
Colorado	(t)	803	-	803	-	-	803	-	803	-		2014	-
Illinois	(f)	732	-	732	-	64	796	-	796	-		2016	-
Illinois	(f)	762	-	762	-	20	782	-	782	-		2016	-
Illinois	(f)	630	-	630	-	145	775	-	775	1	2016	2016	-
Nebraska	(t)	702	72	774	-	(2)	700	72	772	8		2014	35
Illinois	(o)	748	-	748	-	-	748	-	748	-		2017	-
Illinois	(f)	421	-	421	43	280	701	43	743	2	2017	2016	50
Kansas	(t)	737	-	737	-	-	737	-	737	-		2014	-
Nebraska	(i)	711	22	733	-	-	711	22	733	3		2015	20
Illinois	(f)	857	-	857	-	(125)	732	-	732	-		2016	-
Illinois	(f)	879	-	879	4	(155)	724	4	727	-	2017	2016	-
Illinois	(h)	725	-	725	-	-	725	-	725	-		2010	-
Illinois	(f)	823	-	823	-	(99)	724	-	724	-		2016	-
Illinois	(h)	668	-	668	51	1	669	51	720	33	2017	2007	50
Illinois	(o)	717	-	717	-	-	717	-	717	-	2018	2018	-
Illinois	(f)	612	38	650	-	51	663	38	701	3	2017	2016	29
Illinois		701	-	701	-	-	701	-	701	-		2017	-
Illinois	(f)	2,542	-	2,542	-	(1,843)	699	-	699	-		2016	-
Illinois	(j)	667	30	697	-	-	667	30	697	3	2017	2016	24
Illinois	(f)	552	-	552	-	143	695	-	695	-		2016	-
Illinois	(h)	693	-	693	-	-	693	-	693	-		2008	-
Illinois	(h)	684	-	684	-	-	684	-	684	-		2007	-
South Carolina	(l)	477	57	534	148	-	477	205	682	10	2017	2017	32
Illinois	(i)	681	-	681	-	-	681	-	681	-		2015	-
Georgia	(i)	555	106	661	1	18	573	107	680	11		2015	30
Illinois	(f)	505	-	505	-	173	678	-	678	-		2016	-
Illinois	(i)	667	-	667	-	1	668	-	668	-		2016	-
Illinois	(h)	448	100	548	110	-	448	210	658	33	2017	2003	50
Illinois	(o)	652	-	652	-	-	652	-	652	-	2018	2018	-
Illinois	(f)	507	-	507	-	142	649	-	649	-		2016	-
Illinois	(f)	466	-	466	-	178	644	-	644	-		2016	-
Georgia	(i)	482	142	624	-	3	485	142	626	13		2016	27
Illinois	(f)	746	-	746	-	(127)	619	-	619	-		2016	-
Illinois	(f)	939	-	939	-	(326)	613	-	613	-		2016	-
Illinois	(h)	610	-	610	-	-	610	-	610	-		2012	-
Illinois	(f)	744	-	744	-	(136)	608	-	608	-		2016	-
Illinois	(f)	442	-	442	-	166	608	-	608	-		2016	-
Colorado	(t)	374	201	575	2	30	404	203	608	85		2014	11
Nebraska	(b)	607	-	607	-	-	607	-	607	-		2015	-
Georgia	(n)	469	108	577	25	-	469	133	603	8		2016	36
Nebraska	(b)	561	-	561	-	41	602	-	602	-		2014	-
Illinois	(t)	527	37	564	16	-	527	53	580	6	2017	2011	50
Illinois	(j)	563	-	563	-	-	563	-	563	-		2016	-
North Carolina	(v)	554	-	554	-	-	554	-	554	-	2018	2018	-
Illinois	(f)	534	-	534	-	11	545	-	545	-		2016	-
Georgia	(i)	475	53	528	16	-	475	69	545	9		2015	21
Illinois	(f)	536	-	536	-	(15)	521	-	521	-		2016	-
Illinois	(f)	447	-	447	-	74	521	-	521	-		2016	-
Nebraska	(c)	500	10	510	-	-	500	10	510	7		2015	5
Kansas	(l)	319	181	500	-	-	319	181	500	18	2017	2017	20
Illinois	(h)	442	38	480	(38)	-	442	38	480	17		2009	24

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South Carolina		460	-	460	-	-	460	-	460	-	2018	2018	-
Illinois	(f)	601	-	601	-	(158)	443	-	443	-		2016	-
Illinois	(f)	362	-	362	-	76	438	-	438	-		2016	-
Illinois	(f)	499	22	521	25	(112)	387	47	434	3	2017	2016	29
Illinois	(f)	487	-	487	41	(96)	391	41	432	2	2017	2016	50
Illinois	(f)	576	-	576	-	(144)	432	-	432	-		2016	-
Illinois	(f)	254	-	254	-	174	428	-	428	-		2016	-
Illinois	(o)	428	-	428	-	-	428	-	428	-	2018	2018	-
South Carolina	(v)	354	-	354	72	-	354	72	426	2	2018	2018	40
Illinois	(f)	170	-	170	-	250	420	-	420	-		2016	-
Colorado	(t)	419	-	419	-	-	419	-	419	-		2014	-
Illinois	(h)	290	38	328	87	-	290	125	415	16	2017	2006	50
Illinois	(i)	371	-	371	38	-	371	38	409	2	2017	2016	50
Illinois	(f)	370	-	370	-	28	398	-	398	-		2016	-
Illinois	(b)	398	-	398	-	-	398	-	398	-		2008	-
Colorado	(i)	-	-	-	-	395	395	-	395	-		2015	-
Illinois	(f)	359	-	359	-	35	394	-	394	-		2016	-
Illinois	(h)	322	36	358	22	-	322	58	380	10	2017	2006	47
Illinois	(o)	363	-	363	-	-	363	-	363	-	2018	2018	-
Illinois	(t)	102	59	161	201	-	102	260	362	23	2017	2003	50
Illinois	(f)	296	-	296	-	66	362	-	362	-		2016	-
Illinois	(h)	271	73	344	16	-	271	89	360	20	2017	2001	50
Illinois	(f)	291	-	291	-	63	354	-	354	-		2016	-
Illinois	(f)	360	-	360	-	(9)	351	-	351	-		2016	-
Illinois	(f)	317	-	317	-	30	347	-	347	-		2016	-
Nebraska	(t)	342	4	346	(1)	(2)	341	4	344	-	2017	2014	27
Illinois	(f)	282	-	282	-	58	340	-	340	-		2016	-
Illinois	(t)	321	24	345	(8)	-	321	16	337	2	2017	2011	50
Kansas	(j)	235	90	325	3	-	235	93	328	10	2017	2016	21
Illinois	(f)	320	-	320	-	(2)	318	-	318	-		2016	-
Illinois	(f)	286	-	286	-	29	315	-	315	-		2016	-
North Carolina	(v)	310	-	310	-	-	310	-	310	-	2018	2018	-
Illinois	(f)	353	-	353	-	(44)	309	-	309	-		2016	-
Colorado	(t)	276	-	276	-	-	276	-	276	-		2014	-
Illinois	(f)	216	-	216	-	50	266	-	266	-		2016	-
Colorado	(t)	224	-	224	-	39	263	-	263	-		2014	-
Illinois	(f)	233	-	233	-	28	261	-	261	-		2016	-
Illinois	(h)	252	-	252	-	-	252	-	252	-		2012	-
Illinois	(f)	240	-	240	-	7	247	-	247	-		2016	-
Colorado	(i)	236	-	236	-	-	236	-	236	-		2015	-
Illinois	(o)	233	-	233	-	-	233	-	233	-	2018	2018	-
Illinois	(f)	157	-	157	-	75	232	-	232	-		2016	-
Illinois	(h)	203	44	247	(24)	-	203	20	223	4	2017	2006	50
Illinois	(h)	200	16	216	(16)	-	200	-	200	-		2011	-
Illinois	(f)	179	-	179	-	18	197	-	197	-		2016	-
Illinois	(o)	196	-	196	-	-	196	-	196	-	2018	2018	-
Georgia		142	39	180	3	-	142	41	183	2	2017	2017	30
Illinois	(f)	153	-	153	-	28	181	-	181	-		2016	-
Colorado		-	-	-	69	-	-	69	69	3	2017	2017	40
Illinois		34	86	120	(86)	-	34	-	34	1		2016	7
Colorado		-	-	-	-	-	-	-	-	-		2017	-
Adjustments		-	-	-	-	-	-	-	1	89			
Other	(u)	51,853	1,836	53,689	840	(744)	51,110	2,714	53,824	401			

Farm Credit Bond	5,060
Farmer Mac Bond #6	$ 14,915
Farmer Mac Bond #7	$ 11,160
Farmer Mac Bond #8A	$ 41,700
Farmer Mac Bond #8B	$ -
Farmer Mac Bond #9	$ 6,600
Met Life Bond #1	$ 89,914

Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
December 31, 2018
($ In Thousands)

Met Life Bond #2	$ 16,000									
Met Life Bond #3	$ 21,000									
Met Life Bond #4	$ 15,685									
Met Life Bond #5	$ 8,379									
Met Life Bond #6	$ 27,158									
Met Life Bond #7	$ 21,253									
Met Life Bond #8	$ 44,000									
Met Life Bond #9	$ 21,000									
Prudential Bond	$ 5,144									
Rutledge Credit Facility #1	$ 17,000									
Rutledge Credit Facility #2	$ 25,000									
Rutledge Credit Facility #3	$ 25,000									
Rutledge Credit Facility #4	$ 15,000									
Rutledge Credit Facility #5	$ 30,000									
Rabo Agrifinance Note	$ 64,359									
Totals	$ 525,327	$ 953,050	$ 115,785	$ 1,068,835	$ 34,016	$ 4,420	$ 957,516	$ 150,500	$ 1,108,016	$ 18,148

(a) is part of a collateral pool for the $5.1 million First Farm Credit of Central Florida Bond
(b) is part of a collateral pool for the $14.9 million Farmer Mac Bond #6
(c) is part of a collateral pool for the $11.2 million Farmer Mac Bond #7
(d) is part of a collateral pool for the $41.7 milllion Farmer Mac Bond #8A
(e) is part of a collateral pool for the $6.6 million Farmer Mac Bond #9
(f) is part of a collateral pool for the $90.0 million Met Life Bond #1
(g) is part of a collateral pool for the $16.0 million Met Life Bond #2
(h) is part of a collateral pool for the $21.0 million Met Life Bond #3
(i) is part of a collateral pool for the $15.7 million Met Life Bond #4
(j) is part of a collateral pool for the $8.4 million Met Life Bond #5
(k) is part of a collateral pool for the $27.2 million Met Life Bond #6
(l) is part of a collateral pool for the $21.3 million Met Life Bond #7
(m) is part of a collateral pool for the $44.0 million Met Life Bond #8
(n) is part of a collateral pool for the $6.6 million Prudential Loan
(o) is part of a collateral pool for the $25.0 million Rutledge Credit Facility 1
(p) is part of a collateral pool for the $25.0 million Rutledge Credit Facility 2
(q) is part of a collateral pool for the $25.0 million Rutledge Credit Facility 3
(r) is part of a collateral pool for the $15.0 million Rutledge Credit Facility 4
(s) is part of a collateral pool for the $30.0 million Rutledge Credit Facility 5
(t) is part of a collateral pool for the $66.4 million Agrifinance Note
(u) Other category is comprised of 95 farms in 6 states that on an individual basis make up less than 5% of gross total land plus improvements as of December 31, 2017. Approximately $2,417 is part of a collateral pool for the $14,915 Farmer Mac Bond #6, $510 is part of a collateral pool for the $11,160 Farmer Mac Bond #7, $20,464 is part of a collateral pool for the $90,000 Met Life Bond #1, $6,494 is part of a collateral pool for the $21,000 Met Life Bond #3, $4,542 is part of a collateral pool for the $15,685 Met Life Bond #4, $1,588 is part of a collateral pool for the $8,379 Met Life Bond #5, $1,182 is part of a collateral pool for the $21,253 Met Life Bond #7, $577 is part of a collateral pool for the $6,600 Prudential Loan, $1,553 is part of a collateral pool for the $25,000 Rutledge Credit Facility 1, and $5,427 is part of a collateral pool for the $66,400 Rabo Agrifinance Note.
(v) the aggregate basis for U.S. federal income tax purposes is $534,459.

Farmland Partners Inc.
Schedule III – Real Estate and Accumulated Depreciation
Reconciliation of "Real Estate and Accumulated Depreciation"
(In Thousands)

	Years ended December 31,		
	2018	2017	2016
Real Estate:			
Balance at beginning of year	$ 1,094,155	$ 595,598	$ 317,589
Additions during period			
Additions through construction of improvements	9,874	15,549	4,866
Disposition of improvements	(29,573)	(671)	(40)
Non cash acquisitions		-	-
Acquisitions through business combinations	33,560	483,679	273,183
Balance at end of year	$ 1,108,016	$ 1,094,155	$ 595,598
Accumulated Depreciation:			
Balance at beginning of year	$ 10,261	$ 3,215	$ 1,668
Disposition of improvements	(190)	(80)	(8)
Additions charged to costs and expenses	8,077	7,126	1,555
Balance at end of year	$ 18,148	$ 10,261	$ 3,215
Real Estate balance per schedule	$ 1,108,016	$ 1,094,155	$ 595,598
Construction in progress	10,262	8,137	1,615
Other non-real estate	71	71	74
Balance per consolidated balance sheet	$ 1,118,349	$ 1,102,363	$ 597,287
Accumulated depreciation per schedule	$ 18,148	$ 10,261	$ 3,215
Other non-real estate	54	24	9
Balance per consolidated balance sheet	$ 18,202	$ 10,285	$ 3,224

AGRICULTURAL LEASE
(Chowchilla, KG and Stella Ranch)

THIS AGRICULTURAL LEASE (this “ **Lease** ”) is made as of November 17, 2017, by and between Arnold (CA) LLC, a Delaware limited liability company (“ **Lessor** ”), and OLAM FARMING, INC., a Delaware corporation (“ **Lessee** ”). For convenience, Lessor and Lessee are sometimes referred to herein collectively as the “ **Parties** ” and individually as a “ **Party** .” This Lease is made with respect to the following facts and circumstances, which the Parties affirm as true and accurate:

A. Lessor is the owner of certain real property consisting of approximately 5,101.13 acres of land all in the Counties of Madera and Kern, State of California, (collectively, the “ **Land** ”) as described below and more particularly described on **Exhibit A** attached hereto.

The " **Chowchilla Property** " meaning that certain real property consisting of approximately 1,470.11 acres located in Madera County, California and commonly referred to as Madera County APN's: 023-050-001, 009, 011, 014, 015 and 017; 024-070-016 and 017; 024-090-012; 024-120-009 and 010; 024-120-029, 011, 024, 025, 023 and 022; 024-141-007; 024-142-002 and 003; 024-150-001; 028-050-003; and 027-182-009.

The " **KG Property** ", meaning that certain real property consisting of approximately 2,081.0 acres located in Madera County, California and commonly referred to as Madera County APNs 040-164-002; 040-166-02; 040-162-005; 040-222-023, 024, 025, 026, 027 and 028.

The " **Stella Property** ", meaning that certain real property consisting of approximately 1,550.02 acres located in Kern County, California and commonly referred to as Kern County APN's: 184-070-29, 30, 31, and 32; 184-090-21; 184-100-13, 16, 17, 18 and 19; and 184-110-32.

B. The Land is improved with certain structures and improvements located thereon, including permanent plantings, wells, well parts and equipment, electrical panels, electrical hookups, water conveyance and discharge facilities, pipelines, irrigation systems inclusive of motors pumps, piping, tubing, emitters, etc., structures and dwellings (the “ **Improvements** ”). All references to "Improvements" shall also include (i) any new improvements, on the Land, and (ii) additions, modifications, replacements, and other improvements to the Improvements existing at the Effective Date. The Improvements are owned by Lessee until the termination or expiration of this Lease (subject to Sections 4.3 and 4.5 below). The Land and any appurtenances and improvements owned by Lessor are collectively referred to herein as the “ **Premises** .”

C. Lessee desires to lease from Lessor and Lessor is willing to lease the Premises to Lessee on the terms and subject to the conditions herein set forth.

D. Lessee is reserving certain Lessee's rights regarding the Pipeline Easement Transaction (defined below in Section 1.4(a)) as further described in Section 1.4 below).

E. Olam International Limited, a company organized under the laws of Singapore corporation will guarantee a ll of Lessee's obligations under this Lease pursuant to an agreement substantially similar to the form in **Exhibit B.**

NOW, THEREFORE , in consideration of the foregoing, the Parties hereto hereby covenant and agree as follows:

1. Lease .

1.1 Lessor hereby leases to Lessee the Premises during the Lease Term, as defined below. The Premises will include such non-exclusive rights of ingress and egress over the Land as may be necessary for Lessee to farm and operate the Premises. The Premises may be used only for agricultural and related purposes. Lessor reserves for itself all oil, gas, hydrocarbon, geothermal, water and mineral rights, to the extent owned by Lessor. Lessee shall not use the Premises for recreational or hunting purposes. The Parties agree that the Premises will at all times during the Lease Term be used for agricultural operations and such other activities as are consistent with the operation and maintenance of a tree nut farming operation.

1.2 Subject to the terms and conditions of this Lease, including without limitation Lessor's security interest therein, Lessee shall have ownership and the right to possession of all growing crops and farm products thereof generated by the Premises during the Lease Term.

1.3 The Recitals above are hereby incorporated in this Lease.

1.4 Notwithstanding anything to the contrary written herein, Lessee reserves certain rights regarding the Pipeline Easement Transaction (defined in Section 1.4(a) below).

(a) Pipeline Easement Transaction Defined . The " **Pipeline Easement Transaction** " is a transaction on the Stella Property that Lessee is currently negotiating with Plains Marketing, L.P., a Texas limited partnership (" **Third Party** "). At present, the Pipeline Easement Transaction involves Third Party paying Lessee for an option to acquire a perpetual non-exclusive right of way and easement to construct one pipeline, said right of way and easement being thirty feet (30′) in width (seventy-five feet (75′) in width during construction) on, over, upon, under and across certain real property located in Kern County, California (on the Stella Property) and commonly referred to as Kern County APN's: 184-070- 30; 184-090-21; 184-100-13 and 19; and 184-110-32.

(b) Rights and Responsibilities of Lessee and Lessor . Prior to the close of the Pipeline Easement Transaction, Lessee shall review and approve the planned location of the easement and any provisions of the easement pertaining to compensation for damage, removal or destruction of Improvements (including trees). Lessee's approval, which shall not be unreasonably withheld, must be provided in writing before the Pipeline Easement Transaction closes. Lessee shall receive any and all compensation for all loss, removal or damage to the Improvements (including trees) caused by the Pipeline Easement Transaction. At Lessor's cost and expense, Lessee shall reasonably cooperate with Lessor to facilitate the consummation of the Pipeline Easement Transaction.

2. Term .

2.1 Initial Lease Term . The term of this Lease (the " **Lease Term** ") shall be for the period commencing on [ ], 201_ (the " **Commencement Date** ") and expiring on October 31, 2042 (the " **Lease Expiration Date** "), unless terminated earlier as provided in this Lease or unless extended in writing by Lessor and Lessee. If this Lease is not terminated earlier as provided in this Lease or extended in writing by Lessor and Lessee prior to the Lease Expiration Date, then this Lease will automatically terminate on the Lease Expiration Date.

2.2 Agreement to Discuss Long-Term Extension . Two (2) years prior to the end of the Lease Term, Lessor and Lessee agree to meet and discuss a twenty-five (25) year extension of this Lease at then current fair market rate. The Parties agree to negotiate in good faith for a period of six (6) months.

2.3 Right of First Refusal . Lessor agrees not to negotiate with any third party to lease the Premises upon the expiration of the Lease Term until after the expiration of the six (6) month negotiation period set forth in Section 2.2 above. Prior to executing a lease for the Premises or any portion of the Premises with a third party, Lessor shall provide Lessee a written notice with a summary of the terms of any binding offer that Lessor is willing to accept from a potential replacement tenant (the " **Offered Terms** ") and give Lessee fifteen (15) days to elect to renew this Lease based on the Offered Terms. If Lessee fails to exercise its Right of First Refusal then Lessor shall have thirty (30) days to enter into a lease with such third party based on the Offered Terms. The Right of First Refusal shall terminate upon the expiration or early termination of the Lease.

3. Rent .

3.1 Rent . Rent due under this Lease (" **Rent** ") for the Lease Term shall consist of Crop Share Rent (the " **Crop Share Rent** "), determined in accordance with terms set forth in **Exhibit C** .

3.2 Reserved

3.3 Processor Selection . Lessee may deliver crop to processors of its choosing provided that each is a reputable processor used by other producers of similar scale and sophistication as Lessee on an arm's length basis. If Lessee elects to process crops itself or through any affiliate of Lessee, all charges shall be reasonable and comparable, and final pricing comparable, to other processors and marketers in the industry.

3.4 Payment of Rent .

(a) Initial Rent Payment. On November 30 of each year, excepting 2017, an initial rent payment will be due by calculating Crop Share Rent based on Preliminary Gross Revenue.

(b) Rent Adjustment . On November 30 of the calendar year following each Crop Year, an adjustment payment will be made representing the difference between Initial Rent Payment and the final rent due. Crop Share Rent will be calculated based on Final Gross Revenue. If the Initial Rent Payment made was less than rent due based on Final Gross Revenue,

then the difference shall be a payment due from Lessee to Lessor. If the Initial Rent Payment was in excess of rent due based on Final Gross Revenue, then the difference shall be a payment due from Lessor to Lessee.

3.5 Crop Insurance . Lessee shall purchase and maintain CAT federal crop insurance, if available, insuring loss of production or value for all crops grown on the Chowchilla and KG Properties. On the Stella Property, Lessee shall purchase and maintain, if available, CAT federal crop insurance on all crops except pistachios for which Lessee shall purchase and maintain a coverage level no less than sixty-five percent (65%) of the approved actual production or value history, as applicable. Lessee may purchase additional crop insurance at Lessee's sole discretion. In the event any crop insurance claims are paid, the crop insurance awards shall be paid directly to the insured and such crop insurance proceeds shall be included in determining the Gross Revenue. In the event that Lessor and Lessee mutually determine not to purchase and maintain crop insurance, or that crop insurance is not available on terms which are economically reasonable for any particular Crop Year, then upon written consent by Lessor, Lessee shall have no obligation to obtain crop insurance under this Section 3.5 . In the event Lessor, in its sole discretion, elects to pay for incremental coverage above the Coverage Percentage, one hundred percent (100%) of the crop insurance proceeds attributable to the increased coverage for which Lessor has paid the premium shall be paid to Lessor.

3.6 Provision of Information . In order for Lessor to verify the Crop Share Rent, Lessee agrees to, within a reasonable amount of time, and then only after such information is available, furnish Lessor with information sufficient to make such verification, including but not limited to, harvested crop quantities, weight tickets, information related to nut quality, packout statistics, processor's seasonal pool reports, and such other information as Lessor may reasonably request. Furthermore, if Lessee’s crop processing facilities provides on-line access to any such information, Lessee shall use all reasonable efforts to make arrangements for Lessor to have access to such on-line information, provided that such access can be limited to Lessee’s crops produced on the Premises only.

3.7 Late Charge . Lessee recognizes that in the event any payment of Rent shall be late hereunder, Lessor will incur costs in connection with such late payment, including, without limitation, loss of investment, income and increased administration costs that may be difficult to quantify. Rent or any other amount, obligation or payment due from Lessee to Lessor under this Lease that is not paid in good funds and received by Lessor within fifteen (15) days of the date it is due shall be deemed delinquent hereunder and, in addition to any other amounts due hereunder, Lessee shall pay Lessor, without further notice or demand, a sum equal to four percent (4.0%) of such delinquent amount. The parties agree that such charge is a reasonable approximation of the damages that may be suffered by Lessor on account of such late payment

4. Maintenance and Repair of Equipment and Improvements .

4.1 It is hereby agreed that Lessee has inspected the Improvements located on the Premises, including, but not limited

to any wells or pumping plants serving the Premises, if any, prior to the signing of this Lease and hereby acknowledges the condition of the same, and hereby accepts the same as such, as is, where is without warranty by Lessor.

4.2 Subject to Sections 4.3, 4.5, 4.8 and 15, Lessee hereby agrees to at all times during the Lease Term, maintain and repair the Improvements at its own expense.

4.3 Improvements .

(a) Lessee shall be fully responsible for the replacement, construction and outfitting of new or replacement Improvements (when excluding permanent plantings, " **Improvement Investments** "), which Lessee deems necessary for the operation of the Premises. Lessee shall be responsible for all costs related to Improvement Investments made prior to January 1, 2038. Subject to Lessor's written approval (" **Lessor's Approval** "), Improvement Investments made on or after January 1, 2038 shall be eligible for reimbursement by Lessor pursuant to Section 4.3(b) below. Lessee shall secure Lessor's Approval prior to incurring any cost for Improvement Investments. Lessor agrees that any approval required pursuant to this Section 4.3(a) shall not be unreasonably withheld.

(b) Lessee shall be responsible for all costs associated with any Improvement Investment, however, for any Improvement Investments made on or after January 1, 2038, Lessor shall reimburse Lessee for the original cost of the Improvement Investment minus the depreciation and impairments attributed to the Improvement Investment within ten (10) days of the end of the Lease Term. Upon termination of the Lease, Lessor shall own all right, title and interest to such Improvement Investments.

(c) Lessee agrees to meet with a representative of Lessor and a third party for the inspection of the Improvements at the time possession is returned to Lessor.

4.4 Lessee shall complete development of the Unplanted Acres consistent with the Development Plan attached in **Exhibit D** .

4.5 Permanent Plantings .

(a) Subject to Section 4.5(b) below, Lessee shall maintain all permanent plantings consistent with standard industry practices for each crop type.

(b) Throughout the Lease Term, Lessee shall pay the cost to remove permanent plantings with no remaining useful life on the Premises and Lessee shall replace such permanent plantings with new permanent plantings (a " **Permanent Planting Investment** ") at Lessee's sole cost and expense. However, any Permanent Planting Investment made on or after January 1, 2033 shall be reimbursed by Lessor as follows: for any Permanent Planting Investment made on or after January 1, 2033, Lessor shall reimburse Lessee for the original cost of the Permanent Planting Investment (including all costs capitalized by Lessee for such Permanent Planting Investment), minus the amortization and impairments attributed to the Permanent

Planting Investment. The reimbursement shall be paid by Lessor within ten (10) days of the end of the Lease Term.

4.6 Lessee agrees to promptly furnish Lessor with information sufficient to verify timely maintenance of improvements including, but not limited to, copies of orders and invoices for trees and copies of Lessee's maintenance records.

4.7 For the Lease Term, Lessee is the sole owner of the Improvements, as improved throughout the Lease Term. Lessee, at Lessee's sole discretion, shall have the right to determine how it will depreciate the Improvements provided such determination is made in accordance with standard industry practices for comparable assets in the same geographic region.

4.8 Notwithstanding anything herein to the contrary, but subject to Section 6.12 (regarding the removal of healthy trees), Lessee may, at Lessee's sole cost and expense, remove, destroy, or level any of the Improvements that existed at the commencement of the Lease, at Lessee's sole discretion, as long as each such act (i) does not have a material negative impact on the farming operation on the Premises, and (ii) the subject Improvement has not received an Improvement Investment that required Lessor's Approval (as described in Section 4.3).

5. Lessor's Obligations .

5.1 Lessor shall warrant and defend Lessee's possession of the Premises against any and all persons as long as this Lease remains in effect and Lessee is not in material default under the terms of this Lease.

5.2 Lessor shall be responsible for the payment of real property taxes and as valorem assessments included on the property tax bills, for the Premises.

6. Lessee's Obligations .

6.1 Lessee shall farm the Premises and care for and cultivate the tree nut crops thereon in a good and farmerlike manner, and in accordance with standard management practices for tree nut farms in the Madera and Kern counties in California. Lessee will secure (at Lessee's sole cost) and put to beneficial use all surface water rights appurtenant to the Premises and shall develop groundwater supply and rights consistent with standard management practices in the region. Lessee will use commercially reasonable efforts to produce as high of a quality and quantity of tree nuts .

6.2 Lessee shall use the Premises solely for lawful purposes. Lessee shall, at all times in the use of the Premises and in the performance of this Lease, comply with all laws, ordinances, decrees, orders, rules, and regulations, including but not limited to all environmental laws, statutes, rules, regulations, and ordinances, of any lawful authority, agency or governmental unit having jurisdiction over the Premises.

6.3 Lessee shall comply with State Workers Compensation requirements on all of its employees.

6.4 At all times during the Lease Term and at Lessee's expense, Lessee will procure, maintain and keep in force liability insurance for bodily injury and property damage issued by insurance carriers reasonably acceptable to Lessor, for protection against liability to anyone arising from the use, maintenance or occupancy of or resulting from any accident occurring in or about the Premises in an amount not less than Two Million Dollars ($2,000,000.00) combined single limit. These policies shall: (i) insure the vicarious liability of Lessor in the performance of operations by Lessee; (ii) insure Lessee's liability for the various indemnities under Sections 6.6, 14, 18, and 26 hereof; (iii) be primary and noncontributing with any insurance carried by Lessor; and (iv) name Lessor as additional insured or loss payee, as applicable. All such policies shall require the insurance carriers to notify Lessor in writing ten (10) days before any cancellation or reduction of such insurance coverage. Lessee agrees that, if Lessee does not keep the insurance in force, Lessor may take out the necessary insurance and pay the premium on behalf of Lessee, in which event, Lessee shall immediately reimburse Lessor for all cost and expense thus incurred by Lessor, together with interest thereon as herein provided.

As an alternative the requirements in the paragraph directly above, Lessee may elect to assume, insure or maintain a plan of self-insurance for all or any part of the insurance required of Lessee under this Lease if (a) Lessee has and continues to have a net worth equal to or greater than Fifty Million and No/100 Dollars ($50,000,000.00), and (b) Lessee delivers to Lessor upon Lessee's election (i) a certificate that Lessee has the required net worth, (ii) its self-insurance plan, and (iii) a certificate stating that Lessee is the insurer for all purposes under this Lease for the particular risk. Upon such election, Lessee shall also deliver to Lessor on or before January 1 of each calendar year a certificate signed by an officer of Lessee certifying that Lessee has as of such date a net worth of at least Fifty Million and No/100 Dollars ($50,000,000.00). If Lessee so assumes, insures or maintains any such plan of self-insurance, no such self-insurance shall diminish the rights and privileges to which Lessor is otherwise entitled under the terms of this Lease when there is a third-party insurer. If Lessee is a corporation, the stock of which is traded on a national securities exchange, the obligation to certify its net worth pursuant to this Section 6.4 shall be deemed satisfied by the submission of the most current annual and any subsequent quarterly reports prepared for Lessee's shareholders. If Lessee ceases to maintain a plan of self-insurance with respect to any risk for which this Lease requires insurance or if Lessee fails to continue to meet the net worth requirements set forth above, Lessee shall give notice thereof to Lessor and shall immediately comply with the provisions of this Lease relating to the policies of insurance required. In addition, if Lessee elects to self-insure, Lessee in its capacity as insurer shall be treated in the same manner as an independent third-party insurer would be treated.

The requirements of this Lease with respect to the net worth of Lessee (for purposes of such self-insurance) may also be satisfied by the consolidated net worth of a corporate parent of Lessee, if the corporate parent: (x) maintains the self-insurance program on behalf of Lessee; and, (y) prior to the implementation of such self-insurance program, unconditionally guarantees payment and performance hereunder on such form of guaranty as Lessor reasonably requires.

6.5. Lessee shall pay, on the later of ten (10) days after receipt of notice thereof (unless otherwise indicated below) from Lessor or their due date: (i) all water, irrigation, drainage, and conservation district assessments, and any other assessments levied or assessed against all or any part of the Premises, (ii) all real estate taxes paid by Lessor in relation to the Premises during the current contract year, including but not limited to property, drainage and special district taxes,

levies and fees, which shall be paid to Lessor no later than December 1st, provided that Lessor shall provide copies of all invoices and/or other supporting documentation evidencing such taxes and payment thereof by Lessor prior to Lessee's obligation to remit reimbursement for the same, and (iii) all personal property taxes levied against Lessee's personal property located on the Premises and, upon request, provide Lessor with evidence of such payment.

Lessor may, at its option (exercised in the use of Lessor's sole and absolute discretion), upon notice to Lessee, pay any such delinquent taxes or assessments on Lessee's behalf, and Lessee shall thereafter, upon the written demand of Lessor, repay Lessor the amount of such taxes or assessments plus any penalties resulting from Lessee's failure to timely pay, with interest as provided herein. Lessee's failure to reimburse Lessor for taxes, assessments, or penalties advanced by Lessor shall be governed by the provisions of Section 23.1 herein.

Lessee shall pay when due, all charges, fees, deposits, and standby charges together with taxes thereon, for utilities and all other services supplied to the Premises including without limitation, domestic and irrigation water, sewer, gas, electricity, and telephone. Lessor shall have no obligation of any kind to provide utilities or other services to the Premises or to pay the charges therefor.

Lessee shall pay when due all other expenses in any way relating to its farming activities on or occupation of the Premises. Lessee shall not permit any such expenses to accumulate or become a delinquent lien against the Premises or any portion thereof.

6.6 No fertilizer, herbicide, pesticide, poison, chemical, or other foreign substance (collectively " **Restricted Materials** "), except those approved or authorized by the United States Department of Agriculture, the California Department of Food and Agriculture and the California Department of Pesticide Regulation which are in each case used and stored in the ordinary course of business and in compliance with all applicable laws, rules, regulations, and manufacturer's label instructions and requirements, and good farming practices prevalent in the area of the Premises, and no Hazardous Substances (as hereinafter defined) (collectively, with the Restricted Materials and the Gas and Oil (as hereinafter defined), the " **Hazardous Materials** ") shall be applied to the Premises or crops growing thereon or brought onto or released upon or stored on the Premises by Lessee, or any employee or agent of Lessee, or person acting on Lessee's behalf. No experimental fertilizer, chemical, pesticide or herbicide shall be applied to the Premises or to the crops growing thereon except with Lessor's prior written consent. Lessee shall prepare and maintain complete and accurate records in accordance with sound business practices and all pertinent governmental regulations respecting the time, place, quality, quantity, kind, and method of application of all Restricted Materials that may be utilized by Lessee on or about the Premises, and shall furnish to Lessor, upon request, true and correct copies thereof. All gasoline, diesel fuel, fuel oil, motor oil and lubricants (collectively, " **Gas and Oil** "), Restricted Materials and containers in which they are shipped, stored, used, mixed, transported, dispensed or applied, shall be used, stored, handled, maintained and disposed of in strict compliance with the manufacturer's instructions and all applicable statutes and governmental regulations including regulations concerning notice and posting. Lessee hereby expressly indemnifies and holds Lessor harmless from and against all loss, cost, damage, claims, expense or liability arising from or related to Lessee's or any of its employees' or agent's use, handling, mixing, storing, transporting, applying or disposing of any Hazardous Materials on or about the Premises. Lessee shall not indemnify nor

be responsible for any loss, cost, damage, claims, expense or liability arising from or related to Lessor's or any of its successors', employees', or agent's use, handling, mixing, storing, transporting, applying or disposing of any Hazardous Materials on or about the Premises. Lessor shall have the right to inspect the Premises and conduct reasonable testing at Lessor's expense from time to time to insure Lessee's compliance with this section. Lessee will notify Lessor immediately of any violations, suspected violations, or alleged violations of law concerning the use, application, storage, release or discharge of Hazardous Materials on or about the Premises. As used herein, " **Hazardous Substances** " means (i) asbestos in any form which is or could become friable or which is deemed hazardous under any applicable law, urea formaldehyde foam insulation, and/or leaded or lead based paint, (ii) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas, and/or (iii) any chemical, material or substance now or hereafter defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "acute hazardous waste", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "contaminants" or "pollutants", or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251, et seq.; Sections 25115, 25117, 25122.7, 25140, 25249.8, 25281, 25501, and 25316 of the California Health and Safety Code; Section 2782.6(d) of the California Civil Code; and Chapter 11 of Title 22 of the California Code of Regulations.

6.7 Lessee shall not apply any Restricted Materials on the Premises which may leave a residue that will adversely affect the growing of crops which may be planted on the Premises following the termination of this Lease. Notwithstanding that they may leave a residue, Lessee may apply any Restricted Materials on the Premises which are approved or authorized by the United States Department of Agriculture, the California Department of Food and Agriculture or the California Department of Pesticide Regulation and which are in each case used in the ordinary course of business and in compliance with all applicable laws, rules and regulations, manufacturer's label instructions and requirements, and good farming practices prevalent in the area of the Premises. Lessee shall also use care in the application of Restricted Materials to the crops grown on the Premises so as to avoid damage to crops grown on adjacent parcels of land owned by third parties.

6.8 Except with regards to irrigation equipment used in the ordinary course of business, Lessee will not bury any tanks, equipment, or substances of any type on the Premises without the prior written consent of Lessor.

6.9. Any and all production data relating to the Premises is jointly owned by Lessor and Lessee. Specifically, Lessee agrees to provide to Lessor or Lessor's agent, a copy of all block-level yield data associated with the Premises and full and complete record of all water use.

6.10 Lessee shall keep complete and accurate records of all groundwater and surface water used on the Premises. By October 31 of each year, Lessee shall provide Lessor with

documentation of all water used for irrigation purposes on the Premises with groundwater and surface water specifically detailed for each Property.

6.11 Lessee shall keep the Improvements, excluding permanent plantings on the Premises insured at no less than their full replacement cost, against physical loss by fire and such other coverages as are covered by the extended coverage endorsement, with Lessor named as an additional insured, and provide Lessor with a copy of the insurance policy covering the Improvements.

6.12 Lessee shall not remove any healthy trees growing on the Premises or change the crops planted on the Premises without Lessor's prior written consent.

6.13 Lessee hereby covenants that all harvesting and hauling charges associated with the harvesting of the crops grown on the Premises, except hulling costs and expenses, will be paid for by the Lessee's contracted processor/packer/shipper and will not be netted or subtracted from revenues received by Lessee in calculating Gross Revenue.

7. Condemnation . If a part of the Premises is condemned for a public use, and the remaining part can nevertheless reasonably be used economically by Lessee, this Lease shall terminate as to the part taken on the date title vests in the condemnor and Lessor shall have no liability to Lessee for any damage, loss, inconvenience or hardship suffered by Lessee as a result thereof. If all or part of the Premises is taken and the remaining part, if any, cannot reasonably be used economically by Lessee, this Lease shall terminate on the date title vests in the condemnor. If all or any part of the Premises is taken or condemned, all compensation awarded on condemnation (less any amount attributable to growing crops) shall be paid to Lessor and shall be treated as the proceeds from the sale of all or the condemned part of the Premises. Lessee irrevocably assigns and transfers to Lessor any right to compensation or damages to which Lessee may become entitled during the Lease Term as a result of the condemnation of the entire or any part of the Premises, except for that portion of any award (a) necessary to reimburse Lessee for Lessee's crop expenses incurred if title to all or any portion of the Premises is condemned/transferred pursuant to this Section between November 1st and May 1st of any year of this Lease or (b) consisting of anticipated or actual profit with regard to any harvested or unharvested crops on the part of the Premises condemned if title to all or any portion of the Premises is transferred pursuant to this Section at any other time of any year of this Lease; provided that any such award to Lessee is separately awarded and shall not diminish or reduce the award to Lessor with respect to the Premises. However, Lessee shall be entitled to appear in any condemnation proceedings at its own cost for purposes of seeking from the condemnor such compensation attributable to the taking or damaging of Lessee's personal property and growing crops. Lessor and Lessee shall prorate Rent with respect to the portion of the Premises condemned, as of the date the condemnor assumes title thereto. Lessee hereby waives the rights and benefits set forth in California Code of Civil Procedure Section 1265.130. Lessor represents and warrants to Lessee that Lessor has no knowledge of any pending condemnation actions with respect to the Premises.

8. Warranties and Representations . LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES, THE LOCATION OF ITS BOUNDARIES, THE QUANTITY OR QUALITY OF

WATER AVAILABLE TO THE PREMISES, OR AS TO THE FITNESS OR SUITABILITY OF THE PREMISES FOR ANY USE WHICH LESSEE MAY INTEND TO MAKE THEREOF, INCLUDING WITHOUT LIMITATION THE YIELD, QUALITY, OR VALUE OF ANY CROPS GROWN THEREON, AND LESSEE ACCEPTS THE PREMISES IN "AS IS" CONDITION.

9. Lessor's Access. Lessor reserves the right to itself, its agents, employees, and assigns to enter the Premises at any reasonable time, upon reasonable notice (or without any notice in the case of emergencies), for any lawful purpose including, but not limited to, consultation with Lessee, inspecting the Premises and crops growing thereon, showing the Premises to prospective purchasers, and posting notices thereon. Any such entry shall be at the sole risk of Lessor and its agents, employees and invitees. Prior to entering the Premises, Lessor shall use reasonable efforts to notify Lessee of Lessor's intention to enter the Premises and Lessor does hereby release and hold Lessee harmless for any and all damage Lessor or its agents or representatives may cause to the Premises as a result of such access.

10. Assignment, Subletting, and Sale.

10.1 Assignment and Subletting. Lessee shall not assign this Lease or any interest herein or sublet the Premises or any portion thereof to any person or entity without Lessor's prior written consent. For the purposes of this Lease, any change in the equity interest of any of Lessee which (i) results in a cumulative change from the Effective Date of the equity interests in such entity of greater than twenty-five (25%) percent, or (ii) any change resulting in a single party obtaining an interest in of greater than twenty-five (25%) percent in such entity, shall be deemed an "assignment" for the purposes of this Lease. Any attempted assignment or subletting in violation of this Section 10 shall be void. This Lease shall not be assignable by operation of law as to any interest of Lessee herein. The consent to one assignment or sublease by Lessor shall not be deemed to be consent to a subsequent assignment or sublease. Notwithstanding anything to the contrary written herein, after providing ten (10) business days advance notice, and provided that the Guarantor continues to guarantee Lessee's (or any permitted assignees) payment of rent and performance of all obligations under this Lease (as further provided in Section 16 of this Lease), Lessee may assign this Lease or any interest herein or sublet the Premises to (i) any related parent entity with 100% ownership of Lessee, or (ii) any related entity owned 100% by Lessee's parent entity; or (iii) any related entity 100% owned by Lessee (each, a "**Related Party Assignment or Sublet**"). Written notice is all that is required of Lessee for a Related Party Assignment or Sublet.

10.2 Sale of Premises; Release of Lessor After Sale. In the event of a sale of all or part of the Premises, Lessor may assign all or a portion of this Lease to the purchaser of the Premises (or such portion thereof) and, upon such purchaser's written assumption of the obligations hereunder, Lessor shall thereafter be relieved from any liability hereunder arising after the closing and in such case Lessee agrees to attorn to such purchaser of the Premises.

10.3 Lessor Liability. In any and all events, Lessee agrees that Lessor shall not be personally liable for its obligations under this Lease and Lessee shall look solely to the interests of Lessor in the Premises, including the rents, profits and proceeds therefrom, for satisfaction of any of Lessor's obligations hereunder.

11. Water. Lessee agrees to make reasonable use of the water available to the Premises, and, except in emergencies, to prevent the waste of the same. Neither Party shall be liable for the failure or shortage thereof, nor for the failure of gas, electrical, or other power or energy. Lessor does not warrant the initial or continued accessibility or supply of the irrigation water, its quality, or its suitability for any purpose.

12. Re-Entry. In the event Lessee neglects or abandons the crops growing on the Premises, Lessor or persons designated by Lessor shall have the right to immediately re-enter upon the Premises and care for, grow and harvest the crops and/or care for any fallow land and charge against Lessee's interest, if any, in the crops or charge Lessee the additional cost for all expenses incurred by Lessor in caring for, growing and/or harvesting such neglected or abandoned crops.

13. Binding Effect. Subject to the provisions herein regarding assignment and subletting, this Lease shall be binding upon and inure to the benefit of the Parties hereto, their representatives, heirs, administrators, successors and assigns as herein limited.

14. Liability. It is further understood and agreed that Lessor shall not be liable for debts or liabilities contracted or incurred by Lessee, nor shall Lessee allow any labor, mechanic or material liens to attach to the Premises or Improvements. Lessor shall not be liable for any accident to persons or properties which may occur on the Premises during the Lease Term except to the extent attributable to Lessor's (or its agents or representatives) negligence, reckless or willful misconduct, and Lessee hereby agrees to indemnify and save harmless Lessor from any and all such liability except to the extent of Lessor's (or its agents or representatives) negligence, reckless or willful misconduct.

15. Improvements, Alterations and Additions. Notwithstanding anything herein to the contrary, but subject to Section 6.12 (regarding the removal of healthy trees), Lessee may, at Lessee's sole cost and expense, remove, destroy, or level any of the Improvements that existed at the commencement of the Lease, at Lessee's sole discretion, as long as each such act (i) does not have a material negative impact on the farming operation on the Premises, and (ii) the subject Improvement has not received an Investment Improvement that required Lessor's Approval (as described in Section 4.3). Lessee agrees that any improvements, additions or alterations, made during the Lease Term, shall become and remain the property of Lessee until expiration or termination of the Agreement at which point they will be owned by Lessor subject to Section 4.3 and 4.5.

16. Guarantee. Lessee shall cause Olam International Limited, a company organized under the laws of Singapore corporation (" **Guarantor** ") to guarantee Lessee's payment of rent and performance of all obligations under this Lease, in the form provided as **Exhibit B** (the " **Guaranty** ") and to maintain such Guaranty in force during the term of this Lease.

17. Reserved.

18. Labor Matters. Lessee hereby represents to Lessor that it is not currently a party to a labor union contract or collective bargaining agreement which will or could affect the Premises or the operation thereof, nor will it seek to become a party to any such agreement during the Lease Term which in any manner binds Lessor as a party or successor or obligates Lessor or any

subsequent owner of the Premises to bargain with any union or labor organization as a successor in interest to Lessee. Lessee will indemnify and hold Lessor and the Premises harmless from and against any and all loss, cost, damage, claim, liability or expense that it may incur as a result of Lessee's breach of this Section 18 . This Section 18 is not intended to cause Lessee to refuse to bargain in good faith in accordance with law, nor will its provisions result in liability against Lessee for actions by its employees beyond its control.

19. No Restrictions . Nothing contained in this Lease shall be construed so as to prohibit either Party or any firm or corporation in any way affiliated with either of them from owning, operating, or investing in any agricultural, ranching, farming or any other type of real estate development either in the state where the Premises is located or elsewhere, provided such activities do not interfere with the affected Party's ability to properly perform its obligations under this Lease.

20. Operation in Accordance with Law . Lessee shall, at all times during the Lease Term, use its best efforts to apprise itself of and comply fully with all federal, state, local and other governmental laws, statutes, ordinances and regulations applicable to its operations hereunder, including , without limitation, all applicable requirements of the Immigration Reform and Control Act of 1986, as it may be amended from time to time, the Fair Labor Standards Act, as amended, all regulations and orders of the United States Department of Labor issued thereunder, and all other governmental agencies or departments with jurisdiction over Lessee, the Premises or the operation thereof, and all laws, ordinances and regulations relating to the use, storage, mixing, handling, disposal or application of all insecticides, herbicides, pesticides or other hazardous or toxic materials on or about the Premises and any containers in which they are shipped, handled, mixed or stored. Lessee shall, and in the event Lessee elects to contract with a customer farm contractor shall cause such farm contractor to, either: (i) maintain Workers Compensation Insurance, insuring its employees engaged on the Premises with a company legally authorized to write such insurance in the state in which the Premises is located, and Lessee shall furnish Lessor upon demand with a certificate of such insurance; or (ii) self-insure with respect to risks covered by Workers Compensation Insurance by maintaining a qualified plan under California Workers Compensation Insurance laws and furnish to Lessor evidence of such insurance at Lessor's request.

21. Termination . Subject to the provisions of Section 2 , this Lease shall terminate in its entirety upon the earlier to occur of the following (the " **Termination Date** "):

(a) One (1) business day following Lessor's notice to Lessee of Lessor's Election to Terminate pursuant to any of the provisions of Section 22 .

(b) The Lease Expiration Date.

Upon termination of this Lease as set forth above, Lessee's rights, duties and obligations under this Lease shall automatically terminate on the Termination Date. In that event, (i) Lessee shall immediately relinquish possession of the Premises and copies of all books, records, files, maps, studies, reports, keys, codes and information concerning the Premises to Lessor; (ii) Lessee shall assign all of its rights in any applicable crop insurance policy and all Improvements to Lessor; (iii) Lessee shall immediately, quietly, and peacefully vacate the Premises and surrender

possession thereof to Lessor or its designee all in good working order, condition, repair, reasonable wear and tear and damage caused by fire or other unavoidable casualty, and permitted alterations excepted, and (iv) Lessee shall remove all personal property of Lessee from the Premises, including without limitation, any mobile homes or modular structures belonging to Lessee or Lessee's affiliates. Furthermore, Lessor reserves the right, following the severance of Lessee's last crop immediately preceding the expiration or termination of this Lease, for Lessor or any successor lessee to enter upon the Premises (at no cost to Lessee and without unreasonably interfering with Lessee's operations) for purposes of applying fertilizers, and performing any other operation deemed necessary for the maintenance and preservation of the Premises consistent with good farming practices prevalent in the area of the Premises.

Notwithstanding the termination of this Lease as set forth above, Lessee's obligations to defend and indemnify as provided in Sections 6.7, 14, 18, and 26 herein, as to events, acts or omissions taking place prior to the termination, shall continue.

22. Termination for Cause Defined; Notice of Election to Terminate . Lessor will have cause for termination of this Lease upon the occurrence of any of the following events (" **Cause for Termination** "):

(a) The existence of a default of this Lease pursuant to Section 23.1 .

(b) The quality of Lessee's operation of the tree nut farm (including, without limitation, the maintenance of trees, harvesting practices, and pest and disease control), shall be materially below the quality of similar farming operations (with comparable water and soil) in the area of the Premises (the " **Standard of Management** "). Lessor's right to terminate under this Section 22(b) is subject to the following requirements.

(i) Cure Notice . Lessor shall provide a detailed notice (the " **Cure Notice** ") to Lessee including (i) the specific areas in which quality fails to meet the Standard of Management, (ii) the specific failures, and (iii) what must be done to reasonably cure such failures. After delivery of the Cure Notice, Lessor shall provide Lessee a reasonable opportunity to improve such deficiency described in the Cure Notice. For purposes of this subsection a "reasonable opportunity" shall mean the least amount of time reasonably required by a competent, experienced farm manager to remedy the deficiency, not to extend beyond the conclusion of the Crop Year then in effect or the succeeding Crop Year if Lessor's notice is provided within the last ninety (90) days of a Crop Year, provided that immediately upon receipt the Cure Notice, Lessee shall commence and continue with due diligence to cure and improve the deficiency noted.

(ii) Cure Period and Cure Notice Response . Within ten (10) business days of receipt of the Cure Notice (the " **Cure Period** "), Lessee shall either (i) acknowledge in writing Lessor's notice of termination, (ii) notify Lessor, in writing, that Lessee intends to cure the breach and provide an estimated time for completion, or (iii) notify Lessor that Lessee disputes that there is a breach (collectively, the " **Cure Notice Response** "). If Lessee does not deliver the Cure

Notice Response to Lessor during the Cure Period, Lessee will be deemed to have acknowledged Lessor's notice of termination. However, if the Parties cannot agree whether Lessee timely cured, or if Lessee responds to the Cure Notice by informing Lessor that Lessee disputes that there is a breach by Lessee, then the dispute shall be settled through binding arbitration (as further described in Section 22(b)(iii) below.

(iii) Mandatory and Binding Arbitration. Any dispute arising between the Parties regarding Section 22(b), which cannot be settled amicably by the Parties within ten (10) days, concerning only the provisions of Section 22(b) of this Lease or the rights and duties of the Parties in regard thereto, shall be resolved by arbitration as provided in this paragraph. All such disputes shall be settled exclusively and finally through arbitration conducted by the American Arbitration Association (the " **AAA** ") before a single arbitrator in Fresno County, California, in accordance with the Commercial Arbitration Rules of the AAA (the " **Rules** "), as such Rules are in effect on the date of delivery of a Demand for Arbitration, provided, however, that notwithstanding anything contained in the Rules, the arbitrator shall not have the power to authorize more than ten (10) document requests. Further, no interrogatories shall be allowed during the course of the arbitration proceeding, and each Party shall be allowed only one deposition absent a showing of good cause. "Good cause" in this context shall mean that despite the fact that the Parties are agreeing to arbitration as an alternative to judicial proceedings because arbitration is intended to be a quicker, less expensive, more efficient dispute resolution mechanism, the Party cannot establish its prima facie case without taking more than one deposition. In no case does the arbitrator have the power to authorize more than three (3) depositions per Party. The arbitration proceedings provided hereunder are hereby declared to be self-executing, and it shall not be necessary to petition a court to compel arbitration. The expedited arbitration will be concluded within one hundred twenty (120) days of the date of the Demand for Arbitration. The arbitrator shall determine all questions of fact and law relating to any controversy, claim or dispute hereunder, including but not limited to whether or not such controversy, claim or dispute is subject to the arbitration provisions contained herein. The arbitrator may apportion the costs and expenses of the arbitration proceeding, including attorneys' fees and arbitrators' fees, between the Parties in any manner deemed reasonable by the arbitrator. The arbitrator is required, under this Lease between the Parties, to strictly construe this Lease and may not grant an award or any relief to a Party that is inconsistent with the express terms of this Lease. Any award or determination rendered by the arbitrator may be entered and enforced in any court of competent jurisdiction.

Upon the occurrence of a Cause for Termination, Lessor shall have the right to terminate this Lease by giving Lessee written notice thereof in the manner set forth in Section 28, setting forth the facts and circumstances constituting the Cause for Termination.

Lessor's right to terminate this Lease in accordance with the provisions hereof shall be in addition to all other rights and remedies available to Lessor under California law arising from the obligations set forth in this Lease.

23. Default and Remedies.

23.1 Lessee Default. There shall be a "Lessee Default" under this Lease by Lessee if at any time during the Lease Term: (i) Lessee shall fail to pay any Rent when due, or any other sum of money whatsoever which Lessee shall be obligated to pay under the provisions of this Lease, within fifteen (15) days after the date such sum is required to be paid hereunder with respect to any such sum the date of payment for which is fixed or set hereunder, or, if no such date of payment is so fixed or set, within fifteen (15) days after written notice and demand by Lessor therefor; (ii) Lessee shall assign, mortgage or encumber this Lease, or sublet the whole or any part of the Premises, otherwise than as expressly permitted hereunder, or if this Lease or the estate of Lessee hereunder shall be transferred, or passed to, or devolve upon, any person or entity other than Lessee herein named by operation of law or otherwise, except in the manner permitted hereunder; (iii) Lessee shall default in the performance or observance of any of the other terms, covenants, conditions, or agreements of this Lease (other than as described in clauses (i), (ii), (iv), (v), (vi), (vii), (viii), or (ix) hereof) for thirty (30) days after written notice and demand, or if such default shall be of such a nature that the same cannot practicably be cured within such thirty (30) day period and Lessee shall not within such thirty (30) day period commence and continue with due diligence and dispatch, the curing and performance of such defaulted term, covenant, condition or agreement, or if Lessee shall within such thirty (30) day period commence with due diligence and dispatch to cure and perform such defaulted term, covenant, condition or agreement and shall thereafter fail or neglect to prosecute and complete with due diligence and dispatch, the curing and performance of such defaulted term, covenant, condition or agreement; (iv) there shall be filed by or against Lessee in any court or other tribunal pursuant to any statute or other rule of law, either of the United States or of any State or of any other authority now or hereafter exercising jurisdiction, a petition in bankruptcy or insolvency proceedings or for the reorganization or for the appointment of a receiver or trustee of all or substantially all of Lessee's property, or for any other form of debtor relief, unless such petition be filed against Lessee and if in good faith Lessee shall promptly thereafter commence and diligently prosecute any and all proceedings appropriate to secure the dismissal of such petition and shall secure such dismissal within ninety (90) days after the date of filing or the commencement of such proceedings; (v) if Lessee makes an assignment for the benefit of creditors; (vi) if Lessee fails to pay when due any assessments, charges, or insurance premiums or similar amounts to be paid by Lessee under this Lease and such failure continues for a period of ten (10) days after written notice that such amount remains unpaid; provided if Lessee disputes that payment is due, Lessee may file an appropriate protest or challenge to such payment; (vii) if Lessee shall permit the Premises or any portion thereof to be subject to any lien or encumbrance not otherwise permitted hereunder (including, without limitation, any involuntary lien) and fails to remove or provide a release bond or similar security within twenty (20) days after receiving written notice of the existence of such lien; (viii) if Lessee shall vacate, abandon, fail to farm, or fail to market the crops grown on the Premises in accordance with the terms of this Lease or in accordance with the terms of any Crop Contracts; or (ix) if Lessee shall default under the terms and conditions of any crop loan, secured by a lien on the crops growing on the Premises, obtained by Lessee pursuant to Section 24 hereof. For purposes of this Section 23.1, failure to maintain Improvements that results in: (i) the permanent impairment of the value of such Improvements; and (ii) the inability to cure such impairment without the removal and replacement, shall constitute a default and Lessor shall have the rights set forth in Section 23.2 below.

Lessor may provide a copy of any required notices pursuant to this Section 23.1 to Lessee's crop lender, if any.

23.2. Lessor's Remedies. In addition to other remedies available to Lessor, the Parties intend for Lessor to have the remedy described in California Civil Code Section 1951.4 (which provides that a lessor may continue the lease in effect after the lessee's breach and abandonment and recover rent as it becomes due, if the lessee has the right to sublet or assign subject only to reasonable limitations).

The Parties further specifically agree that in the event of Lessee Default under this Lease:

(a) Lessor may continue this Lease in effect until such time as Lessor elects to terminate Lessee's right to possession, and Lessee shall remain liable to perform all of its obligations under this Lease and Lessor may enforce all of Lessor's rights and remedies, including the right to recover Rent as it falls due. Lessor shall have the right to do all things necessary or appropriate to manage and farm the Premises, and may do all things appropriate to a subletting of the Premises for the account of Lessee, and none of such acts shall be deemed to terminate Lessee's right of possession, unless and until Lessor elects to terminate the same by written notice to Lessee. Lessee agrees to reimburse Lessor on demand for all amounts reasonably expended by Lessor in managing and farming the Premises and for Lessor's reasonable attorneys' fees and costs, together with interest on the amounts expended from time to time at the rate specified in Section 32 below.

(b) Lessor may terminate Lessee's possession of the Premises. If Lessee's right to possession of the Premises is terminated by, then this Lease shall terminate. Upon such termination, Lessor may recover from Lessee:

(i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination.

(ii) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided.

(iii) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss for such period that Lessee proves could be reasonably avoided.

(iv) Any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform its obligation under the Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in this subdivision (b) is the product of: (i) the Olympic average of the Rent for the Crop Years prior to termination and (ii) the number of years left in the Lease Term, discounting such amount at the rate of five percent (5%). The "Olympic average" shall means the average eliminating the high and low numbers.

23.3 Lessor Default. Lessor shall not be in default under this Lease unless Lessor fails to perform obligations required by Lessor within thirty (30) days after written notice by Lessee to Lessor specifying what obligations Lessor has failed to perform. If the nature of Lessor's failure to perform is such that more than thirty (30) days is required for performance, Lessor shall not be in default if during such time period Lessor commences performance and thereafter diligently prosecutes the same to completion. In the event Lessor defaults in its obligations under this Lease, Lessee shall have the option, but not the obligation, to cure Lessor's default. If Lessee exercises such option, Lessor shall reimburse Lessee for all reasonable costs incurred by Lessee to cure the default and if such amounts are not paid with fifteen (15) days after Lessee provides Lessor with an invoice requesting reimbursement, such amounts will accrue interest at ten percent (10%) per annum until paid. Lessee may pursue any or all available remedies at law or in equity in the event of a default by Lessor.

23.4 Remedies Cumulative. The rights, powers, elections and remedies of Lessor and Lessee contained in this Lease shall be construed as cumulative and no one of them is or shall be considered exclusive of the other or exclusive of any other rights or remedies allowed by law, and the exercise of one or more rights, powers, elections or remedies shall not impair either Party's right to exercise any other.

24. Lessee's Right to Encumber the Crops. Notwithstanding anything to the contrary written herein, Lessee may encumber all crops and farm products and all products and proceeds thereof including any crop insurance proceeds ("**Crops**") now or hereafter grown or growing on the Premises in connection with loans for planting, farming and operating funds with a term not exceeding one year (1 yr.), subject to Lessee providing Lessor with written notice of same. Upon written request of Lessee, or any beneficiary, mortgagee, or secured party (each a "**Lessee's Crop Lender**") of any deed of trust, mortgage, or security agreement affecting the Crops, and the note or other obligation secured by it, that constitutes security for the payment of debt or performance of an obligation, Lessor and any Lessor lender shall, in writing, subordinate its rights in the Crops to any encumbrance against the Crops held by any Lessee's Crop Lender.

25. Reserved

26. **Indemnification.** In addition to any other indemnification provisions contained in this Lease, including without limitation those set forth in Sections 6.7, 14 and 18 hereof, except to the extent caused by the intentional or negligent acts or omissions of Lessor or its agents, Lessee shall indemnify and hold Lessor and the property of Lessor, including the Premises, free and harmless from any and all claims, liability, loss, damage, or expenses resulting from Lessee's occupation and use of the Premises including any claim, liability, loss or damage arising by reason of the injury to or death of any person or persons or by reason of damage to any property caused by the condition of the Premises, the condition of any improvements or personal property in or on

the Premises, injury, illness or death of any person as a result of defective or contaminated crops, livestock or agricultural products, or the acts or omissions of Lessee or any person in or on the Premises with the express or implied consent of Lessee. The duties of Lessee under this Section 26 to indemnify and hold Lessor and the property of Lessor, including the Premises, free and harmless from any such claim, liability, loss, or damage shall extend to any claim, liability, loss, or damage arising by reason of the injury to or death of (1) Lessee, (2) any agent, officer, or employee of Lessee, or (3) any independent contractor hired by Lessee to perform work or render services on the Premises.

27. Release . From and after the execution hereof, Lessee hereby waives, releases, remises, acquits, and forever discharges Lessor, its directors, officers, shareholders, employees, and agents, and their respective heirs, successors, personal representatives, and assigns, of and from any and all suits, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys' fees and expenses of whatever kind and nature, in law or in equity, known or unknown, which Lessee ever had, now has, hereafter can, shall or may have or acquire or possess based upon, or arising out of or in any way connected with, directly or indirectly the condition, status, quality, nature, contamination, or environmental state of the Premises except to the extent caused by the intentional or negligent acts or omissions of Lessor after the execution hereof (collectively, the " **Released Matters** ").

It is the intention of this provision that any and all responsibilities and obligations of Lessor, and any and all rights or claims of Lessee, its successors and assigns and affiliated entities, against Lessor with respect to the Released Matters are declared null and void and of no present or future effect as to such parties. Lessee hereby waives the benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

Lessee's Initials: __________

28. Notices . All notices under this Lease shall be in writing, and be either personally served, sent with return receipt requested by certified mail with postage prepaid, sent by nationally recognized overnight courier service, or sent by email or facsimile with an original to be delivered by nationally recognized overnight courier service, and addressed to the respective Parties as follows:

To Lessee: Olam Farming, Inc.
Attn: Dave DeFrank
205 E. River Park Circle, Suite 310
Fresno, CA 93720-1572
dave.defrank@olamnet.com

With a copy to:
Ligia Bernardo, Director of Legal
205 E. River Park Circle, Suite 310

Fresno, CA 93720

Baker Manock & Jensen PC
Attn: Carl R. Refuerzo
5260 North Palm, Suite 421
Fresno, CA 93704
crefuerzo@bakermanock.com

To Lessor: Arnold (CA) LLC
Attn. Legal Department
4600 S. Syracuse St., Suite 1450
Denver, CO 80237
legal@farmlandpartners.com

or to such other person or at such other place as either Party may from time to time designate by written notice to the other Party.

Notice given in the foregoing manner shall be deemed sufficiently given for all purposes hereunder on the date the same was personally delivered, deposited with the United States Postal Service, deposited with a nationally recognized overnight courier service, or sent by facsimile, or e-mail (provided that in the case of e-mail notice, a hard copy of such communication shall follow by one of the other modes of delivery set forth herein within two (2) days of such e-mail notice) except that notices of changes of address shall not be effective until actual receipt.

29. Holding Over. Upon the expiration or termination of this Lease, if Lessee fails to yield possession, Lessee shall pay to Lessor rent at the rate of 150% of the rental applicable to the last complete Crop Year during the Lease Term (calculated on a per diem basis) plus the sum of $500.00 per day, as additional rent, for each day Lessee remains in possession thereafter, in addition to any damages caused by Lessee to Lessor's land or improvements, and such payments shall not entitle Lessee to any interest of any kind or character in or to the Premises. Lessee hereby waives the provisions of Section 1161(2) of the California Code of Civil Procedure as they relate to agricultural leases. If such possession shall continue beyond thirty (30) days, Lessee shall be liable for any and all land preparation expenses incurred by Lessor or its agents during the holdover period. Nothing contained herein shall be deemed to create any right of Lessee to extend the Lease.

30. Surrender of Lease Not Merger. The voluntary or other surrender by Lessee, or mutual cancellation of this Lease, shall not work a merger, and shall terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to Lessor of any or all such subleases or subtenancies.

31. Quitclaim. At the expiration or earlier termination of this Lease, Lessee shall execute, acknowledge and deliver to Lessor within ten (10) days after written demand from Lessor to Lessee any quitclaim deed or other document required by any title company to remove the cloud of this Lease from the title of the Premises.

32. Interest. With respect to any Rent or other amounts due Lessor hereunder (including, without limitation, amounts advanced by Lessor to pay or perform Lessee's obligations hereunder), Lessee agrees to pay to Lessor interest thereon until such amounts are repaid in full at an interest rate equal to ten percent (10%) per annum but not to exceed the highest rate permitted by law, in addition to any late charges permitted under the Lease. Interest on any amount due shall not start accruing until fifteen (15) days after such amount was first due. With respect to any amounts due Lessee hereunder, Lessor agrees to pay to Lessee interest thereon until such amounts are repaid in full at an interest rate set forth in this Section 32.

33. Additional Rent. Any monetary obligations of Lessee to Lessor under the terms of the Lease shall be deemed to be rent hereunder.

34. Expiration of Indemnities. Lessee's liability for the various indemnities under Sections 14, 18, and 26 shall terminate on the second anniversary of the termination of this Lease. However, Lessee's liability for the indemnity under Section 6.6 shall not terminate.

35. Legal Effect. All covenants of Lessee and Lessor contained in this Lease are hereby expressly made independent conditions concurrent.

36. Headings. The titles or headings to the articles and sections of this Lease are not a part of this Lease and shall have no effect on the construction or interpretation of any part of this Lease.

37. Entire Agreement, Amendment. This Lease, including the recitals, shall constitute the entire understanding of the Parties hereto with respect to the subject matter hereof, and no amendment, modification, or alteration of the terms hereof shall be binding unless the same are in writing, dated subsequent to the date hereof, and duly executed by the Parties.

38. Choice of Law. This Lease shall be governed by and construed in accordance with the laws of the State of California. In the event any dispute arises between the Parties and if the same shall result in litigation, venue of such litigation shall be in Fresno County, California.

39. Legal Relationship of Parties. Lessor and Lessee acknowledge and agree that the terms of this Lease have been the subject of extensive analysis and negotiation. They further agree that it is their intention that the legal relationship established and governed by this Lease is that of Lessor and Lessee with respect to the Premises. The parties have no intention that the legal relationship created by this Lease be deemed or construed to be a partnership, joint venture, co-venture, agency, trust, co-tenancy or any other type or form of legal relationship other than a tenancy for years according to its terms.

40. Exhibits. Each of the Exhibits attached hereto is incorporated herein by reference as if set out herein in full and such Exhibits are identified as follows:

Exhibit A – Legal Description of the Land
Exhibit B – Form of Guaranty

Exhibit C – Development Plan

41. Construction. The language used in this Lease shall be deemed to be the language approved by the Parties to express their mutual intent and no rule of strict construction shall be applied against either Party.

42. Attorneys' Fees. In the event any suit, action or proceeding of any kind (an "action") is brought by any Party hereto to enforce, defend or interpret any provision of this Lease (including without limitation an action for declaratory relief), the prevailing party in such action shall recover from the other Parties to such action all reasonable costs and expenses (including, without limitation, the reasonably allocated cost of in-house counsel) which the prevailing party may incur in bringing such action and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. The "prevailing party" means the Party entitled to recover costs of suit, whether or not any action proceeds to final judgment. Any judgment or order entered in such action shall specifically provide for the recovery of all reasonable costs and expenses incurred by the prevailing party in connection therewith including, without limitation, costs and expenses incurred in enforcing such judgment. For the purpose of this Section 42, "costs and expenses" include all court costs and attorneys' fees including, without limitation, court costs and attorneys' fees incurred in connection with any of the following: (a) postjudgment motions, (b) contempt proceedings, (c) garnishment, levy and debtor and third party examinations, (d) discovery, and (e) bankruptcy litigation.

43. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original hereof and all such counterparts shall constitute one and the same instrument.

44. Joint and Several. If Lessee consists of more than one person, each Lessee: (a) shall have joint and several liability for the punctual payment and performance, when due, of each and every obligation of Lessee herein, including without limitation, the prompt payment of Rent; (b) acknowledges that this agreement is the independent and several obligation of each Lessee and may be enforced against each Lessee separately, whether or not enforcement of any right or remedy hereunder has been sought against any other Lessee; and (c) agrees that its liability hereunder is absolute, unconditional, continuing and irrevocable.

45. Severability. If any term, provision, covenant or condition hereof or any application thereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all terms, provisions, covenants and conditions hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

[signatures follow on next page]

IN WITNESS WHEREOF, the Parties have executed this Lease on the day and year first above written.

LESSOR:	**LESSEE:**
Arnold (CA) LLC	**OLAM FARMING, INC,** **a Delaware corporation**
/s/ Luca Fabbri, CFO 11/28/2017	/s/ Gregory C. Estep, President 11/28/2017

EXHIBIT A

KG PROPERTY:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF MADERA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

ALL THAT PORTION OF SWAMP & OVERFLOW SURVEY NO. 287, IN THE SOUTHEASTERLY 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 23, THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 AND THE SOUTHEASTERLY 1/2 OF NORTHWEST 1/4 OF SOUTHWEST 1/4 OF SECTION 24, TOWNSHIP 13, SOUTH, RANGE 16 EAST, M.D.B.&M., LYING IN MADERA COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND MINERALS IN SAID REAL PROPERTY; AS RESERVED BY GERTRUDE FRIEDL AND ELIZABETH LOUISE LE BEUF, IN DEED DATED NOVEMBER 12, 1965 AND RECORDED NOVEMBER 18, 1965 IN VOL. 949 OF OFFICIAL RECORDS, PAGE 519, MADERA COUNTY RECORDS, DOCUMENT NO. 16754.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE UNITED STATES TRAVERSE CORNER ON THE NORTH LINE OF SAID SECTION 24, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 24 BEARS SOUTH 89 DEGREES 48 MINUTES 28 SECONDS WEST 1,881.00 FEET, SAID POINT OF BEGINNING HAVING COORDINATES Y=106, 842.16 AND X=2, 093, 805.30; THENCE FROM SAID POINT OF BEGINNING AND ALONG THE UNITED STATES GOVERNMENT SEGREGATION LINE, SOUTH 79 DEGREES 52 MINUTES 39 SECONDS WEST 38.83 FEET; THENCE LEAVING SAID SEGREGATION LINE FROM A TANGENT THAT BEARS SOUTH 52 DEGREES 22 MINUTES 36 SECONDS WEST ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1,035.00 FEET THROUGH A CENTRAL ANGLE OF 19 DEGREES 23 MINUTES 10 SECONDS, AN ARC DISTANCE OF 350.19 FEET TO A POINT ON THE LAST SAID SEGREGATION LINE; THENCE ALONG SAID SEGREGATION LINE, SOUTH 06 DEGREES 37 MINUTES 48 SECONDS EAST 185.71 FEET; THENCE SOUTH 28 DEGREES 04 MINUTES 39 SECONDS WEST 408.24 FEET, THENCE LEAVING THE SAID SEGREGATION LINE, SOUTH 06 DEGREES 04 MINUTES 01 SECONDS WEST 635.55 FEET; THENCE SOUTH 03 DEGREES 12 MINUTES 16 SECONDS WEST 100.13 FEET; THENCE SOUTH 06 DEGREES 04 MINUTES 01 SECONDS WEST 844.73 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 970 FEET THROUGH A CENTRAL ANGLE OF 29 DEGREES 33 MINUTES 26 SECONDS, AN ARC DISTANCE OF 500.40 FEET; THENCE SOUTH 35 DEGREES 37 MINUTES 27 SECONDS WEST 2,529.94 FEET TO A 3/4 INCH IRON PIPE WITH BRASS PLUG MARKED "C8-123" FROM WHICH A 1 1/2 INCH STEEL AXLE MARKING THE NORTHEAST CORNER OF SAID SECTION 23 BEARS NORTH 04 DEGREES 23 MINUTES 40 SECONDS EAST 4,906.71 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 470.00 FEET THROUGH A CENTRAL ANGLE OF 30 DEGREES 16 MINUTES 23 SECONDS AN ARC DISTANCE OF 248.33 FEET; THENCE SOUTH 65 DEGREES 53 MINUTES 50 SECONDS WEST 245.28 FEET, THENCE SOUTH 68 DEGREES 45 MINUTES 35 SECONDS WEST 100.12 FEET; THENCE SOUTH 65 DEGREES 53 MINUTES 50 SECONDS WEST 115.87 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 465 FEET THROUGH A CENTRAL ANGLE OF 38 DEGREES 43 MINUTES 04 SECONDS, AN ARC DISTANCE OF 314.23 FEET TO A POINT ON THE NORTHWESTERLY LINE OF SAID STATE SWAMP AND OVERFLOWED LANDS SURVEY NO. 287; THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 45 DEGREES 16 MINUTES 49 SECONDS WEST 33.17 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 23; THENCE ALONG SAID SOUTH LINE SOUTH 89 DEGREES 59 MINUTES 38 SECONDS WEST 290 FEET, MORE OR LESS, TO THE LOW WATER MARK ON THE NORTH OR RIGHT BANK OF THE SAN JOAQUIN RIVER; THENCE UPSTREAM ALONG SAID LOW WATER MARK WITH THE MEANDERS THEREOF TO AN

INTERSECTION WITH THE NORTH LINE OF SAID SECTION 24; THENCE ALONG THE NORTH LINE OF SAID SECTION 24, SOUTH 89 DEGREES 48 MINUTES 28 SECONDS WEST 370 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 24; THENCE 89 DEGREES 48 MINUTES 28 SECONDS EAST 1,881.00 FEET TO THE UNITED STATES TRAVERSE CORNER ON THE NORTH LINE OF SAID SECTION 24; THENCE SOUTH 79 DEGREES 52 MINUTES 39 SECONDS WEST 38.83 FEET, ALONG THE UNITED STATES GOVERNMENT SEGREGATION LINE OF THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL, SAID POINT OF BEGINNING HAVING COORDINATES Y=106,835 34 AND X=2, 093,767.08; THENCE FROM SAID POINT OF BEGINNING AND ALONG SAID SEGREGATION LINE SOUTH 79 DEGREES 52 MINUTES 39
SECONDS WEST 264.78 FEET; THENCE SOUTH 06 DEGREES 37 MINUTES 48 SECONDS EAST 211.08 FEET; THENCE LEAVING SAID SEGREGATION LINE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 1035 FEET, THROUGH A CENTRAL ANGLE OF 19 DEGREES 23 MINUTES 10 SECONDS, AN ARC DISTANCE OF 350.19 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION LYING BETWEEN THE LOW WATER MARK AND THE CENTERLINE OF THE SAN JOAQUIN RIVER.

AND ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND MINERALS IN SAID REAL PROPERTY; AS RESERVED BY GERTRUDE FRIEDL AND ELIZABETH LOUISE LE BEUF, IN DEED DATED NOVEMBER 12, 1965 AND RECORDED NOVEMBER 18, 1965 IN VOL. 949 OF OFFICIAL RECORDS, PAGE 519, MADERA COUNTY RECORDS, DOCUMENT NO. 16754.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811 AT PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO. 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO. 1834.

APN: 040-222-026 (PORTION)

PARCEL NO. 2:

ALL THAT PORTION OF SWAMP & OVERFLOW SURVEY NO. 576 IN THE WEST 1/2 OF SECTION 24, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, LYING IN MADERA COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND MINERALS IN SAID REAL PROPERTY; AS RESERVED BY GERTRUDE FRIEDL AND ELIZABETH LOUISE LE BEUF, IN DEED DATED NOVEMBER 12, 1965 AND RECORDED NOVEMBER 18, 1965 IN BOOK 949 OF OFFICIAL RECORDS, PAGE 519, MADERA COUNTY RECORDS, DOCUMENT NO. 16754.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE UNITED STATES TRAVERSE CORNER ON THE NORTH LINE OF SAID SECTION 24, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 24 BEARS SOUTH 89 DEGREES 48 MINUTES 28 SECONDS WEST 1,881.00 FEET, SAID POINT OF BEGINNING HAVING COORDINATES Y=106,824 16 AND X=2,093,805.30; THENCE FROM SAID POINT OF BEGINNING AND ALONG THE UNITED STATES GOVERNMENT SEGREGATION LINE, SOUTH 79 DEGREES 52 MINUTES 39 SECONDS WEST 38.83 FEET; THENCE LEAVING SAID SEGREGATION LINE FROM A TANGENT THAT BEARS

SOUTH 52 DEGREES 22 MINUTES 36 SECONDS WEST ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1,035.00 FEET THROUGH A CENTRAL ANGLE OF 19 DEGREES 23 MINUTES 10 SECONDS, AN ARC DISTANCE OF 350.19 FEET TO A POINT ON THE LAST SAID SEGREGATION LINE; THENCE ALONG SAID SEGREGATION LINE, SOUTH 06 DEGREES 37 MINUTES 48 SECONDS EAST 185.71 FEET; THENCE SOUTH 28 DEGREES 04 MINUTES 39 SECONDS WEST 408.24 FEET; THENCE LEAVING THE SAID SEGREGATION LINE, SOUTH 06 DEGREES 04 MINUTES 01 SECONDS WEST 635.55 FEET; THENCE SOUTH 03 DEGREES 12 MINUTES 16 SECONDS WEST 100.13 FEET; THENCE SOUTH 06 DEGREES 04 MINUTES 01 SECONDS WEST 844.73 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 970 FEET THROUGH A CENTRAL ANGLE OF 29 DEGREES 33 MINUTES 26 SECONDS, AN ARC DISTANCE OF 500.40 FEET; THENCE SOUTH 35 DEGREES 37 MINUTES 27 SECONDS WEST 2,529.94 FEET TO A 3/4 INCH IRON PIPE WITH BRASS PLUG MARKED "C8-123" FROM WHICH A 1 1/2 INCH STEEL AXLE MARKING THE NORTHEAST CORNER OF SAID SECTION 23 BEARS NORTH 04 DEGREES 23 MINUTES 40 SECONDS EAST 4,096.71 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 470.00 FEET THROUGH A CENTRAL ANGLE OF 30 DEGREES 16 MINUTES 23 SECONDS AN ARC DISTANCE OF 248 33 FEET; THENCE SOUTH 65 DEGREES 53 MINUTES 50 SECONDS WEST 245.28 FEET; THENCE SOUTH 68 DEGREES 45 MINUTES 35 SECONDS WEST 100.12 FEET; THENCE SOUTH 65 DEGREES 53 MINUTES 50 SECONDS WEST 115.87 FEET; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 465 FEET THROUGH A CENTRAL ANGLE OF 38 DEGREES 43 MINUTES 04 SECONDS, AN ARC DISTANCE OF 314.23 FEET TO A POINT ON THE NORTHWESTERLY LINE OF SAID STATE SWAMP AND OVERFLOWED LAND SURVEY NO. 287; THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 45 DEGREES 16 MINUTES 49 SECONDS WEST 33.17 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 23; THENCE ALONG SAID SOUTH LINE SOUTH 89 DEGREES 59 MINUTES 38 SECONDS WEST 290 FEET, MORE OR LESS, TO THE LOW WATER MARK ON THE NORTH OR RIGHT BANK OF THE SAN JOAQUIN RIVER; THENCE UPSTREAM ALONG SAID LOW WATER MARK WITH THE MEANDERS THEREOF TO AN INTERSECTION WITH THE NORTH LINE OF SAID SECTION 24, THENCE ALONG THE NORTH LINE OF SAID SECTION 24, SOUTH 89 DEGREES 48 MINUTES 28 SECONDS WEST 370 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 24; THENCE NORTH 89 DEGREES 48 MINUTES 28 SECONDS EAST 1,881.00 FEET TO THE UNITED STATES TRAVERSE CORNER ON THE NORTH LINE OF SAID SECTION 24; THENCE SOUTH 79 DEGREES 52 MINUTES 39 SECONDS WEST 38.83 FEET, ALONG THE UNITED STATES GOVERNMENT SEGREGATION LINE TO THE TRUE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL, SAID POINT OF BEGINNING HAVING COORDINATES Y=106,835.34 AND X=2,093,767 08; THENCE FROM SAID POINT OF BEGINNING AND ALONG SAID SEGREGATION LINE SOUTH 79 DEGREES 52 MINUTES 39 SECONDS WEST 264.78 FEET; THENCE SOUTH 06 DEGREES 37 MINUTES 48 SECONDS EAST 211.08 FEET; THENCE LEAVING SAID SEGREGATION LINE ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 1035 FEET, THROUGH
A CENTRAL ANGLE OF 19 DEGREES 23 MINUTES 10 SECONDS, AN ARC DISTANCE OF 350.19 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THERFROM THAT PORTION LYING BETWEEN THE LOW WATER MARK AND THE CENTERLINE OF THE SAN JOAQUIN RIVER.

ALSO EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND MINERALS IN SAID REAL PROPERTY; AS RESERVED BY GERTRUDE FRIEDL AND ELIZABETH LOUISE LE BEUF, IN DEED DATED NOVEMBER 12, 1965 AND RECORDED NOVEMBER 18, 1965 IN BOOK 949 OF OFFICIAL RECORDS, PAGE 519, MADERA COUNTY RECORDS, DOCUMENT NO. 16754.

ALSO EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974 OF OFFICIAL RECORDS, PAGE 440, MADERA COUNTY RECORDS, DOCUMENT NO. 14630.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811 AT PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO. 1834.

APN: 040-222-026 (PORTION)

PARCEL NO. 3:

ALL OF SWAMP AND OVERFLOW SURVEY NO. 172, IN THE NORTHEAST 1/4 OF SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, LYING IN MADERA COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS SUBSTANCES AND MINERALS IN SAID REAL PROPERTY; AS RESERVED BY GERTRUDE FRIEDL AND ELIZABETH LOUISE LE BEUF, IN DEED DATED NOVEMBER 12, 1965 AND RECORDED NOVEMBER 18, 1965 IN BOOK 949 OF OFFICIAL RECORDS, PAGE 519, MADERA COUNTY RECORDS, DOCUMENT NO. 16754.

AND ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT IN DEED RECORDED OCTOBER 26, 1972 IN BOOK 1140 OF OFFICIAL RECORDS, PAGE 296, MADERA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811, PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO. 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO 1834.

APN: 040-222-026 (PORTION)

PARCEL NO. 4:

ALL OF SWAMP AND OVERFLOW LOCATION SURVEY NO. 3586 IN THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, LYING IN MADERA COUNTY.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND MINERALS IN SAID REAL PROPERTY; AS RESERVED BY GERTRUDE FRIEDL AND ELIZABETH LOUISE LE BEUF, IN DEED DATED NOVEMBER 12, 1965 AND RECORDED NOVEMBER 18, 1965 IN BOOK 949 OF OFFICIAL RECORDS, PAGE 519, MADERA COUNTY RECORDS, DOCUMENT NO. 16754.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811, PAGE 139, MADERA COUNTY RECORDS, DOCUMENT NO. 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO 1834.

APN: 040-222-026 (PORTION)

PARCEL NO. 5:

THE NORTHWEST 1/4; THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THE WEST 1/2 OF THE SOUTHWEST 1/4, LOTS 1, 2, 3 AND 4, STATE SWAMP AND OVERFLOW LOCATION SURVEY NO. 3586 IN THE NORTHEAST 1/4 OF THE NORTHEAST 1/4, STATE SWAMP AND OVERFLOW LOCATION SURVEY 3586 IN THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4; STATE SWAMP AND OVERFLOW LOCATION SURVEY 3586 IN THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4, STATE SWAMP AND OVERFLOW SURVEY 248 IN THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 IN MADERA COUNTY, ALL OF STATE SWAMP AND OVERFLOW SURVEY 576 IN MADERA COUNTY IN SECTION 13, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM ALL THE ABOVE DESCRIBED LANDS ALL OIL, GAS AND MINERALS THEREIN AND THEREUNDER, AS HERTOFORE CONVEYED BY DEED DATED DECEMBER 2, 1944 AND RECORDED MAY 11, 1945 IN BOOK 362 OF OFFICIAL RECORDS, PAGE 111, MADERA COUNTY RECORDS, TO EDWINA H. GILL, AS TO AN UNDIVIDED 1/3RD INTEREST, WILL GILL, JR., AS TO AN UNDIVIDED 1/6TH INTEREST; AND INEZ THOMPSON, AS TO AN UNDIVIDED 1/6TH INTEREST, ERNEST GILL, AS TO AN UNDIVIDED 1/6TH INTEREST AND RALPH GILL, AS TO AN UNDIVIDED 1/6TH INTEREST.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974 OF OFFICIAL RECORDS, PAGE 440, MADERA COUNTY RECORDS, DOCUMENT NO. 14630.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811 AT PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO. 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO. 1834.

APN: 040-166-002

PARCEL NO. 6:

LOTS 2, 3 AND 4; THE NORTH 1/2 OF THE NORTHEAST 1/4; THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THOSE PORTIONS OF STATE SWAMP AND OVERFLOW SURVEYS 384, 385 AND 386 IN MADERA COUNTY IN SECTION 23; LOT 1 IN SECTION 24; ALL IN TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM AN UNDIVIDED 1/2 INTEREST IN ALL OIL, GAS, AND PETROLEUM AND OTHER MINERAL AND HYDROCARBON SUBSTANCES IN AND UNDER SAID LANDS; AS RESERVED IN DEED FROM EDISON SECURITIES COMPANY, A CORPORATION, DATED AUGUST 31, 1945 AND RECORDED OCTOBER 26, 1945 IN BOOK 363 OF OFFICIAL RECORDS, PAGE 430, MADERA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM (A) AN UNDIVIDED 26% INTEREST IN ALL OIL, GAS, PETROLEUM AND OTHER MINERAL AND HYDROCARBON SUBSTANCES IN, ON, UNDER OR UPON OR THAT MAY BE PRODUCED FROM SAID LAND; (B) ALL OTHER MINERALS OF ANY KIND WHATSOEVER, OTHER THAN OIL, GAS, PETROLEUM AND OTHER MINERALS AND HYDROCARBON SUBSTANCES, AND (C) ALL SURFACE AND UNDERGROUND WATER APPERTAINING TO SAID LANDS, EXCEPT SO MUCH THEREOF AS IS REASONABLY NECESSARY FOR STOCK PURPOSES ON SAID LANDS, AS EXCEPTED AND RESERVED IN A DEED FROM CROCKER FIRST NATIONAL BANK OF SAN FRANCISCO, DATED

APRIL 1, 1946 AND RECORDED JUNE 11, 1946 IN BOOK 390 OF OFFICIAL RECORDS, PAGE 233, MADERA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM AN UNDIVIDED 24% INTEREST IN AND TO ALL OIL, GAS AND MINERALS THEREUNDER, AS HERETOFORE CONVEYED TO EDWINA H. GILL, A WIDOW, RALPH GILL, ERNEST GILL AND WILL GILL, JR., AS TO AN UNDIVIDED 1/4 INTEREST EACH BY DEED RECORDED MAY 20, 1959 IN BOOK 745, PAGE 351, MADERA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974 OF OFFICIAL RECORDS, PAGE 440, MADERA COUNTY RECORDS, DOCUMENT NO. 14630.

AND ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT IN DEED RECORDED OCTOBER 26, 1972 IN BOOK 1140 OF OFFICIAL RECORDS, PAGE 296, MADERA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811, PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO. 3975 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO, 1834.

APN: 040-222-023; 040-222-024; 040-222-027 AND 040-222-025

PARCEL NO. 7:

ALL OF THAT PORTION OF GOVERNMENT LOT 1, STATE SWAMP AND OVERFLOW SURVEY NO. 172 IN THE WEST HALF OF THE SOUTHEAST QUARTER, STATE SWAMP AND OVERFLOW SURVEY NO. 173 IN THE EAST HALF OF THE WEST HALF, STATE SWAMP AND OVERFLOW SURVEY NO. 526 IN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, STATE SWAMP AND OVERFLOW LOCATION SURVEY 3586 IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER, AND STATE SWAMP AND OVERFLOW SURVEY NO. 3586 IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, ALL IN SECTION 23, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTH AND EAST OF THE NORTHERLY BOUNDARY OF THAT PARCEL GRANTED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974, PAGE 440, OFFICIAL RECORDS OF MADERA COUNTY, AS DOCUMENT NO. 14630.

TOGETHER WITH THAT PORTION OF SECTION 22, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 22; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE EAST LINE OF SAID SECTION 22, A DISTANCE OF 445.44 FEET TO THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND GRANTED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974, PAGE 440, OFFICIAL RECORDS OF MADERA COUNTY, DOCUMENT NO. 14630; THENCE NORTH 74 DEGREES 43 MINUTES 03 SECONDS WEST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 159.11 FEET; THENCE NORTH 15 DEGREES 16 MINUTES 57 SECONDS EAST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 25.00 FEET; THENCE NORTH 74 DEGREES 43 MINUTES 03 SECONDS WEST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 185.63 FEET; THENCE NORTH 65 DEGREES 14 MINUTES 50 SECONDS EAST A DISTANCE OF 274.77 FEET; THENCE 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 64.16 FEET; THENCE NORTH 62

DEGREES 49 MINUTES 20 SECONDS EAST A DISTANCE OF 67 11 FEET, THENCE NORTH 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 120 15 FEET TO THE NORTH LINE OF SAID SECTION 22, THENCE NORTH 88 DEGREES 34 MINUTES 53 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 18 57 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THE ABOVE DESCRIBED LANDS ALL OIL, GAS AND MINERALS THEREIN AND THEREUNDER, AS HERETOFORE CONVEYED BY DEED DATED DECEMBER 2, 1944 AND RECORDED MAY 11, 1945 IN BOOK 362 OF OFFICIAL RECORDS, PAGE 111, MADERA COUNTY RECORDS, TO EDWINA H GILL, AS TO AN UNDIVIDED 1/3RD INTEREST; WILL GIL, JR , AS TO AN UNDIVIDED 1/6TH INTEREST, AND INEZ THOMPSON, AS TO AN UNDIVIDED 1/6TH INTEREST, ERNEST GILL, AS TO AN UNDIVIDED 1/6TH INTEREST AND RALPH GILL, AS TO AN UNDIVIDED 1/6TH INTEREST

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974 OF OFFICIAL RECORDS, PAGE 440, MADERA COUNTY RECORDS, DOCUMENT NO 14630.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811 AT PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO 1834.

APN 040-222-022 AND PORTION OF 040-221-005 NEW APN 040-222-028
PARCEL NO. 8:

THAT PORTION OF SECTION 15, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING EAST OF THE FOLLOWING DESCRIBED LINE

COMMENCING AT A POINT ON THE NORTH LINE OF SAID SECTION 15 WHICH BEARS NORTH 89 DEGREES 13 MINUTES 00 SECONDS EAST A DISTANCE OF 2032.23 FEET FROM THE NORTHWEST CORNER THEREOF, THENCE SOUTH 00 DEGREES 27 MINUTES 42 SECONDS EAST A DISTANCE OF 5297.14, MORE OR LESS, TO THE SOUTH LINE OF SAID SECTION 15

TOGETHER WITH THAT PORTION OF GOVERNMENT LOTS 2 AND 3 AND STATE SWAMP AND OVERFLOW SURVEYS NO 527 AND 383 IN SECTION 22, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLATS THEREOF, LYING NORTH OF THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND GRANTED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974, PAGE 440, OFFICIAL RECORDS OF MADERA COUNTY, DOCUMENT NO 14630, AND EAST OF THE FOLLOWING DESCRIBED LINE

COMMENCING AT A POINT ON THE NORTH LINE OF SECTION 15, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, WHICH BEARS NORTH 89 DEGREES 13 MINUTES 00 SECONDS EAST A DISTANCE OF 2032.23 FEET FROM THE NORTHWEST CORNER THEREOF, THENCE SOUTH 00 DEGREES 27 MINUTES 42 SECONDS EAST A DISTANCE OF 5899.62 FEET, MORE OR LESS, TO A POINT ON SAID NORTHERLY BOUNDARY OF THAT PARCEL GRANTED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT

EXCEPTING THEREFROM THAT PORTION OF SECTION 15, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 15, THENCE SOUTH 00 DEGREES 12 MINUTES 31 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION 15, A DISTANCE OF 5262.61 FEET TO THE SOUTHEAST CORNER THEREOF, THENCE SOUTH 88 DEGREES 34 MINUTES 53 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 15, A DISTANCE OF 18.57 FEET, THENCE NORTH 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 5165.06 FEET, THENCE SOUTH 89 DEGREES 13 MINUTES 00 SECONDS WEST A DISTANCE OF 56.83 FEET, THENCE NORTH 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF

97.00 FEET TO THE NORTH LINE OF SAID SECTION 15, THENCE NORTH 89 DEGREES 13 MINUTES 00 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 146.60 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF SECTION 22, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 22, THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE EAST LINE OF SAID SECTION 22, A DISTANCE OF 445.44 FEET TO THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND GRANTED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974, PAGE 440 OFFICIAL RECORDS OF MADERA COUNTY, DOCUMENT NO 14630, THENCE NORTH 74 DEGREES 43 MINUTES 03 SECONDS WEST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 159.11 FEET, THENCE NORTH 15 DEGREES 16 MINUTES 57 SECONDS EAST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 25.00 FEET, THENCE NORTH 74 DEGREES 43 MINUTES 03 SECONDS WEST, ALONG SAID NORTHERLY BOUNDARY, A DISTANCE OF 185.63 FEET, THENCE NORTH 65 DEGREES 14 MINUTES 50 SECONDS EAST A DISTANCE OF 274.77 FEET, THENCE 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 64.16 FEET, THENCE NORTH 62 DEGREES 49 MINUTES 20 SECONDS EAST A DISTANCE OF 67.11 FEET, THENCE NORTH 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 120.15 FEET TO THE NORTH LINE OF SAID SECTION 22, THENCE NORTH 88 DEGREES 34 MINUTES 53 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 18.57 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION RECORDED FEBRUARY 27, 1985 IN BOOK 1811 AT PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO 3875 AND AS MODIFIED BY AGREEMENT RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO 1834.

APN PORTION OF 040-162-004 AND PORTION OF 040-221-005 NEW APN 040-162-005

PARCEL NO. 9:

SECTION 14, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF

TOGETHER WITH THAT PORTION OF SECTION 15, TOWNSHIP 13 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 15, THENCE SOUTH 00 DEGREES 12 MINUTES 31 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION 1, A DISTANCE OF 5262.61 FEET TO THE SOUTHEAST CORNER THEREOF, THENCE SOUTH 88 DEGREES 34 MINUTES 53 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SECTION 15, A DISTANCE OF 18.57 FEET,

THENCE NORTH 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 5165.06 FEET, THENCE SOUTH 89 DEGREES 13 MINUTES 00 SECONDS WEST A DISTANCE OF 56.83 FEET, THENCE NORTH 00 DEGREES 34 MINUTES 00 SECONDS WEST A DISTANCE OF 97.00 FEET TO THE NORTH LINE OF SAID SECTION 15, THENCE NORTH 89 DEGREES 13 MINUTES 00 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 146.60 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THE ABOVE DESCRIBED LANDS ALL OIL, GAS AND MINERALS THEREIN AND THEREUNDER, AS HERETOFORE CONVEYED BY DEED DATED DECEMBER 2, 1944 AND RECORDED MAY 11, 1945 IN BOOK 362 OF OFFICIAL RECORDS, PAGE 111, MADERA COUNTY RECORDS, TO EDWINA H GILL, AS TO AN UNDIVDED 1/3RD INTEREST, WILL GILL, JR , AS TO AN UNDIVIDED 1/6TH INTEREST, AND INEZ THOMPSON, AS TO AN UNDIVIDED 1/6TH INTEREST, ERNEST GILL, AS TO AN UNDIVIDED 1/6TH INTEREST AND RALPH GILL, AS TO AN UNDIVIDED 1/6TH INTEREST.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED NOVEMBER 10, 1966 IN BOOK 974 OF OFFICIAL RECORDS, PAGE 440, MADERA COUNTY RECORDS, DOCUMENT NO 14630.

ALSO EXCEPTING THEREFROM SUCH INTEREST IN ALL OIL, GAS, OIL SHALE, COAL AND ANY OTHER HYDROCARBONS OF WHATSOEVER NATURE, PHOSPHATE, SODIUM, GOLD, SILVER, GEOTHERMAL RESOURCES, AND ALL OTHER MINERAL DEPOSITS IN AND UNDER SAID REAL PROPERTY, AS WAS RESERVED IN DEED FROM GETTY OIL COMPANY, A DELAWARE CORPORATION, RECORDED FEBRUARY 27, 1985 IN BOOK 1811 AT PAGE 189, MADERA COUNTY RECORDS, DOCUMENT NO 3875 AND AS MODIFIED BY AGREEMENT
RECORDED FEBRUARY 2, 1987 AS DOCUMENT NO 1834.

APN 040-162-001 AND PORTION OF 040-162-004 NEW APN 040-164-002

STELLA PROPERTY:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF KERN, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

PARCELS 5, 6, 7, 8, 13, 14, 15 AND 16 OF PARCEL MAP 8799 IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, AS PER MAP RECORDED DECEMBER 23, 1988 IN BOOK 37, PAGES 101, 102 AND 103 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM (1) ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE, HYDROGEN, HELIUM, NITROGEN, METHANE, SULFUR (IN EACH CASE IN EITHER LIQUID OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBONS") IN, ON OR UNDER THE PROPERTY; (2) THE EXCLUSIVE RIGHT TO PROSPECT FOR, DRILL FOR, PRODUCE, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW AND REMOVE HYDROCARBONS FROM AND THROUGH THE LANDS TO WHICH THE SUBJECT INTEREST RELATE, OR LANDS POOLED, UNITIZED OR COMMUNITIZED THEREWITH, (WHICH LANDS SHALL BE REFERRED TO HEREIN AS THE "REAL PROPERTY"); (3) ALL REVERSIONARY RIGHTS RELATING TO HYDROCARBONS IN, ON OR UNDER THE REAL PROPERTY; (4) THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR, REPLACE AND REMOVE GATHERING LINES AND RELATED IMPROVEMENTS FOR THE PURPOSE OF TRANSPORTING HYDROCARBONS OF SIMILAR

SUBSTANCES TO, FROM AND ACROSS THE REAL PROPERTY, WHETHER PRODUCED FROM THE REAL PROPERTY, PRODUCED FROM LANDS POOLED, UNITIZED OR COMMUNITIZED WITH THE REAL PROPERTY OR PRODUCED FROM LANDS IN THE SAME GEOGRAPHIC AREA AS THE REAL PROPERTY; (5) THE RIGHT TO PRODUCE EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW FROM AND THROUGH THE REAL PROPERTY ANY OIL, GAS, MINERALS, AND OTHER SUBSTANCES THAT MAY BE POOLED, COMMUNITIZED OR UNITIZED WITH ANY OF SAID HYDROCARBONS; AND (6) THE EXCLUSIVE RIGHT TO DRILL AND OPERATE WHATEVER WELLS, CONSTRUCT, INSTALL, OPERATE, MAINTAIN, REPLACE AND REMOVE WHATEVER OTHER FACILITIES AND DO WHATEVER ELSE MAY BE REASONABLY NECESSARY ON AND IN THE REAL PROPERTY FOR THE FULL ENJOYMENT OF THE RIGHTS HEREIN GRANTED, INCLUDING THE RIGHT OF INGRESS TO AND EGRESS FROM THE REAL PROPERTY FOR SUCH PURPOSES; AS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN DOCUMENT RECORDED NOVEMBER 18, 1988 IN BOOK 6183, PAGE 1167 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS", NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD BUT SHALL NOT INCLUDE SAND, GRAVEL OR AGGREGATES) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES, ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE FOR AND THEREAFTER PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED FROM ADJACENT PROPERTY, THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS, (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, THE RIGHT AT ALL TIMES, WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONG OR COJOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND ASSIGNS (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS, TREES AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE

RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS. ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION BY DOCUMENT RECORDED JANUARY 31, 1991 IN BOOK 6483, PAGE 753 OF OFFICIAL RECORDS.

APNS: 184-070-29, 184-070-30, 184-070-31, 184-070-32, 184-100-16, 184-100-17, 184-100-18 & 184-100-19)

PARCEL NO. 2:

THAT PORTION OF SECTION 9, TOWNSHIP 31 SOUTH, RANGE 26 EAST, M.D.B.M., IN THE UNINCORPORATED AREA, OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING SOUTHEASTERLY OF THE SOUTHEASTERLY LINE OF PARCEL A OF PARCEL MAP 761 AS RECORDED FEBRUARY 15, 1973 IN BOOK 4, PAGE 150 OF PARCEL MAPS.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE HYDROGEN, HELIUM, NITROGEN, METHANE, SULFUR (IN EACH CASE 1 EITHER LIQUID OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBONS") IN, ON OR UNDER THE PROPERTY; (2) THE EXCLUSIVE RIGHT TO PROSPECT FOR, DRILL FOR, PRODUCED, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW AND REMOVE HYDROCARBONS FROM AND THROUGH THE LANDS TO WHICH THE SUBJECT INTERESTS RELATE, OR LANDS POOLED, UNITIZED OR COMMUNITIZED THEREWITH, (WHICH LANDS SHALL BE REFERRED TO HEREIN AS THE "REAL PROPERTY); (3) ALL REVERSIONARY RIGHTS RELATING TO HYDROCARBONS IN, ON OR UNDER THE REAL PROPERTY; (4) THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR, REPLACE AND REMOVE GATHERING LINES AND RELATED IMPROVEMENTS FOR THE PURPOSE OF TRANSPORTING HYDROCARBONS OR SIMILAR SUBSTANCES TO, FROM AND ACROSS THE REAL PROPERTY, WHETHER PRODUCED FROM THE REAL PROPERTY, PRODUCED FROM LANDS POOLED, UNITIZED OR COMMUNITIZED WITH THE REAL PROPERTY OR PRODUCED FROM LANDS IN THE SAME GEOGRAPHIC AREA AS THE REAL PROPERTY; (5) THE RIGHT TO PRODUCED, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW FROM AND THROUGH THE REAL PROPERTY ANY OIL, GAS, MINERALS AND OTHER SUBSTANCES THAT MAY BE POOLED, COMMUNITIZED OR UNITIZED WITH ANY OF SAID HYDROCARBONS; AND (6) THE EXCLUSIVE RIGHT TO DRILL AND OPERATE WHATEVER WELLS, CONSTRUCT, INSTALL, OPERATE, MAINTAIN, REPLACE AND REMOVE WHATEVER OTHER FACILITIES AND DO WHATEVER ELSE MAY BE REASONABLY NECESSARY ON AND IN THE REAL PROPERTY FOR THE FULL ENJOYMENT OF THE RIGHTS HEREIN GRANTED, INCLUDING THE RIGHT OF INGRESS TO AND EGRESS FROM THE REAL PROPERTY FOR SUCH PURPOSES; AS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN DOCUMENT RECORDED NOVEMBER 18, 1988 IN BOOK 6183, PAGE 1167 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS", NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OF HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD BUT SHALL NOT INCLUDE SAND, GRAVEL OR AGGREGATES) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES, ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE FOR AND THEREAFTER TO PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED

FROM ADJACENT PROPERTY, THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, THE RIGHT AT ALL TIMES, WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONG OR COJOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND ASSIGNS (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS, TREES AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS. ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION BY DOCUMENT RECORDED JANUARY 31, 1991 IN BOOK 6483, PAGE 753 OF OFFICIAL RECORDS.

APN: 184-090-21

PARCEL NO. 3:

THAT PORTION OF SECTION 16, TOWNSHIP 31 SOUTH, RANGE 26 EAST, M.D.B.M., IN THE UNINCORPORATED AREA, OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEAST OF THE NORTHEASTERLY LINE OF INTERSTATE 5 AS CONVEYED TO THE STATE OF CALIFORNIA IN DEED RECORDED MARCH 24, 1967 IN BOOK 4037, PAGE 193 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND LYING WITHIN PARCEL A OF PARCEL MAP 761 AS RECORDED FEBRUARY 15, 1973 IN BOOK 4, PAGE 150 OF PARCEL MAP.

ALSO EXCEPTING THEREFROM (1) ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE, HYDROGEN, HELIUM, NITROGEN, METHANE, SULFUR (IN EACH CASE IN EITHER LIQUID OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBON") IN, ON OR UNDER THE PROPERTY; (2) THE EXCLUSIVE RIGHT TO PROSPECT FOR, DRILL FOR, PRODUCED, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW AND REMOVE HYDROCARBONS FROM AND THROUGH THE LANDS TO WHICH THE SUBJECT INTEREST RELATE, OR LANDS POOLED, UNITIZED OR COMMUNITIZED THEREWITH, (WHICH LANDS SHALL BE REFERRED TO HEREIN AS THE "REAL PROPERTY"); (3) ALL

REVERSIONARY RIGHTS RELATING TO HYDROCARBONS IN, ON OR UNDER THE REAL PROPERTY; (4) THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR, REPLACE AND REMOVE GATHERING LINES AND RELATED IMPROVEMENTS FOR THE PURPOSE OF TRANSPORTING HYDROCARBONS OR SIMILAR SUBSTANCES TO, FROM ACROSS THE REAL PROPERTY, WHETHER PRODUCED FROM THE REAL PROPERTY, PRODUCED FROM LANDS POOLED, UNITIZED OR COMMUNITIZED WITH THE REAL PROPERTY OR PRODUCED FROM LANDS IN THE SAME GEOGRAPHIC AREA AS THE REAL PROPERTY; (5) THE RIGHT TO PRODUCE, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW FROM AND THROUGH THE REAL PROPERTY ANY OIL, GAS, MINERALS AND OTHER SUBSTANCES THAT MAY BE POOLED, COMMUNITIZED OR UNITIZED WITH ANY OF SAID HYDROCARBONS; AND (6) THE EXCLUSIVE RIGHT TO DRILL AND OPERATE WHATEVER WELLS, CONSTRUCT, INSTALL, OPERATE, MAINTAIN, REPLACE AND REMOVE WHATEVER OTHER FACILITIES AND DO WHATEVER ELSE MAY BE REASONABLY NECESSARY ON AND IN THE REAL PROPERTY FOR THE FULL ENJOYMENT OF THE RIGHTS HEREIN GRANTED, INCLUDING THE RIGHT OF INGRESS TO AND EGRESS FROM THE REAL PROPERTY FOR SUCH PURPOSES; AS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN DOCUMENT RECORDED NOVEMBER 18, 1988 IN BOOK 6183, PAGE 1167 OF OFFICIAL RECORDS,

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS", NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD BUT SHALL NOT INCLUDE SAND, GRAVEL OR AGGREGATES) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES, ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL, PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE FOR AND THEREAFTER PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED FROM ADJACENT PROPERTY, THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS, (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, THE RIGHT AT ALL TIMES WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONG OR COJOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS

EXCEPTED AND RESERVED HEREIN PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND ASSIGNS (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS, TREES AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS. ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION BY DOCUMENT RECORDED JANUARY 31, 1991 IN BOOK 6483, PAGE 753 OF OFFICIAL RECORDS.

APN: 184-110-32

PARCEL NO. 4:

THAT PORTION OF THE NORTHWEST 1/4 OF SECTION 22, TOWNSHIP 31, SOUTH, RANGE 26 EAST, M.D.B.M., IN THE UNINCORPORATED AREA OF THE COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING NORTHEASTERLY OF THE NORTHEASTERLY LINE OF INTERSTATE 5 AS CONVEYED TO THE STATE OF CALIFORNIA IN DEED RECORDED MARCH 24, 1967 IN BOOK 4037, PAGE 193 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM (1) ALL OIL, GAS AND OTHER LIQUID AND GASEOUS HYDROCARBONS, AND IN ADDITION THERETO CARBON DIOXIDE, HYDROGEN, HELIUM OR GASEOUS FORM) AND ANY OTHER LIQUID OR GASEOUS SUBSTANCES, INERT OR OTHERWISE, OR ANY OF THEM, AND ANY MINERALS OR OTHER SUBSTANCES PRODUCED IN ASSOCIATION THEREWITH ("HYDROCARBONS") IN, ON OR UNDER THE PROPERTY; (2) THE EXCLUSIVE RIGHT TO PROSPECT FOR, DRILL FOR, PRODUCED, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW AND REMOVE HYDROCARBONS FROM AND THROUGH THE LANDS TO WHICH THE SUBJECT INTERESTS RELATE, OR LANDS POOLED, UNITIZED OR COMMUNITIZED THEREWITH, (WHICH LANDS SHALL BE REFERRED TO HEREIN AS THE "REAL PROPERTY"); (3) ALL REVERSIONARY RIGHTS RELATING TO HYDROCARBONS IN, ON OR UNDER THE REAL PROPERTY; (4) THE RIGHT TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR, REPLACE AND REMOVE GATHERING LINES AND RELATED IMPROVEMENTS FOR THE PURPOSE OF TRANSPORTING HYDROCARBONS OR SIMILAR SUBSTANCES TO, FROM AND ACROSS THE REAL PROPERTY, WHETHER PRODUCED FROM THE REAL PROPERTY, PRODUCED FROM LANDS POOLED, UNITIZED OR COMMUNITIZED WITH THE REAL PROPERTY OR PRODUCED FROM LANDS IN THE SAME GEOGRAPHIC AREA AS THE REAL PROPERTY; (5) THE RIGHT TO PRODUCE, EXTRACT AND REMOVE, INJECT INTO, DISPOSE OF, STORE UNDER AND THEREAFTER WITHDRAW FROM AND THROUGH THE REAL PROPERTY ANY OIL GAS, MINERALS AND OTHER SUBSTANCES THAT MAY BE POOLED, COMMUNITIZED OR UNITIZED WITH ANY OF SAID HYDROCARBONS; AND (6) THE EXCLUSIVE RIGHT TO DRILL AND OPERATE WHATEVER WELLS, CONSTRUCT, INSTALL, OPERATE, MAINTAIN, REPLACE AND REMOVE WHATEVER OTHER FACILITIES AND DO WHATEVER ELSE MAY BE REASONABLY NECESSARY ON AND IN THE REAL PROPERTY FOR THE FULL ENJOYMENT OF THE RIGHTS HEREIN GRANTED, INCLUDING THE RIGHT OF INGRESS TO AND EGRESS FROM THE REAL PROPERTY FOR SUCH PURPOSES; AS CONVEYED TO TENNECO OIL COMPANY, A DELAWARE CORPORATION, IN DOCUMENT RECORDED NOVEMBER 18, 1988 IN BOOK 6183, PAGE 1167 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OTHER MINERALS OF WHATEVER KIND OR CHARACTER, ALL HEREIN COLLECTIVELY CALLED "MINERALS", NOT CONVEYED TO TENNECO OIL COMPANY WHETHER SUCH MINERALS ARE NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED (IT BEING INTENDED THAT THE WORD "MINERALS" AS USED HEREIN SHALL BE DEFINED IN THE BROADEST SENSE OF THE WORD BUT SHALL NOT INCLUDE SAND, GRAVEL OR AGGREGATES) WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES, ALL SALT WATER, BRINES AND GEOTHERMAL RESOURCES, IN, UNDER OR MAY BE PRODUCED FROM SAID REAL PROPERTY; THE EXCLUSIVE RIGHT, BY WHATEVER METHODS NOW OR HEREAFTER KNOWN, AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, TO PROSPECT FOR, INVESTIGATE FOR,

EXPLORE FOR, DRILL FOR, PRODUCE, EXTRACT, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP ALL SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES, WHICH ARE IN, UNDER OR MAY BE PRODUCED FROM THE PREMISES; THE EXCLUSIVE RIGHT TO DRILL INTO AND THROUGH THE PREMISES TO EXPLORE FOR AND THEREAFTER PRODUCE AND EXTRACT MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES WHICH MAY BE PRODUCED FROM ADJACENT PROPERTY, THE RIGHT TO LAY, CONSTRUCT, ERECT AND PLACE UPON AND IN THE PREMISES, AND USE, MAINTAIN AND OPERATE THEREON AND THEREAFTER REMOVE ALL MACHINERY, FIXTURES, EQUIPMENT, PIPELINES, TELEPHONE LINES, ELECTRIC POWER LINES, ROADS, AND OTHER STRUCTURES AND FACILITIES AS GRANTOR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, FOR THE EXERCISE AND ENJOYMENT OF THE RIGHTS HEREIN EXCEPTED AND RESERVED; THE EXCLUSIVE RIGHT TO TREAT, PROCESS, (BUT NOT REFINE), STORE UPON AND REMOVE FROM THE PREMISES SUCH MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES; THE EXCLUSIVE RIGHT TO PRODUCE AND EXTRACT SUCH MINERALS BY SUCH METHOD OR METHODS AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS MAY DEEM ADVISABLE, THE RIGHT AT ALL TIMES, WITHOUT CHARGE, TO INVESTIGATE FOR, EXPLORE FOR, DRILL FOR, PRODUCE, REMOVE AND REDUCE TO POSSESSION AND OWNERSHIP, THOSE QUANTITIES OF FRESH WATER FROM AQUIFERS UNDERLYING SAID REAL PROPERTY DEEMED NECESSARY BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS TO USE IN PROSPECTING, EXPLORING, DRILLING, PRODUCING, EXTRACTING AND REMOVING OR OTHER OPERATIONS IN CONNECTION WITH THE FULL ENJOYMENT AND EXERCISE OF THE RIGHTS HEREIN EXCEPTED AND RESERVED ANY AND ALL OTHER RIGHTS UPON SAID REAL PROPERTY AS GRANTOR OR ITS SUCCESSORS OR ASSIGNS DEEMS NECESSARY, INCIDENTAL TO, OR CONVENIENT, WHETHER ALONG OR COJOINTLY WITH NEIGHBORING LANDS, IN EXPLORING FOR, PRODUCING AND EXTRACTING THE MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES HEREIN EXCEPTED AND RESERVED; AND THE UNLIMITED AND UNRESTRICTED RIGHTS OF ACCESS TO SAID MINERALS, SALT WATER, BRINES AND GEOTHERMAL RESOURCES AND OF INGRESS AND EGRESS TO AND FROM, OVER AND ACROSS SAID REAL PROPERTY FOR ALL PURPOSES DEEMED ADVISABLE BY GRANTOR OR ITS SUCCESSORS OR ASSIGNS IN THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN PROVIDED, HOWEVER, THAT GRANTOR, OR ITS SUCCESSORS AND ASSIGNS, UPON BEING PROVIDED PROOF THEREOF, SHALL COMPENSATE GRANTEE OR ITS SUCCESSORS AND ASSIGNS (A) FOR ANY AND ALL ACTUAL DAMAGE TO IMPROVEMENTS, TREES AND GROWING CROPS UPON SAID REAL PROPERTY WHICH IS CAUSED BY THE EXERCISE OF THE RIGHTS EXCEPTED AND RESERVED HEREIN, AND (B) THE REASONABLE VALUE OF THE LANDS USED FOR ACTUAL DEVELOPMENT AND EXTRACTION OF SUCH MINERAL RIGHTS. ALL AS RESERVED BY TENNECO WEST, INC., A DELAWARE CORPORATION BY DOCUMENT RECORDED JANUARY 31, 1991 IN BOOK 6483, PAGE 753 OF OFFICIAL RECORDS.

APN: 184-100-13

CHOWCHILLA I PROPERTY:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF MADERA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

LOT 530 IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12, AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL

UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-029

PARCEL NO. 2:

LOTS 15 AND 16 IN BLOCK 23 OF CENTRAL TRACT, ACCORDING TO THE MAP THEREOF RECORDED OCTOBER 10, 1912 IN BOOK 3 OF PAGE 13 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM THOSE PORTIONS OF LOTS 15 AND 16 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SECTION 14, TOWNSHIP 10 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, THENCE S. 89° 07' W., 2640 FEET TO THE SOUTHWEST CORNER OF SAID LOT 15, THENCE N. 0° 57' W. 30.00 FEET; THENCE N. 89° 07' E., 2610 FEET; THENCE N. 0° 57' W., 1290 FEET; THENCE N. 89° 07' E., 30.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 16; THENCE S. 0° 57' E., 1320 FEET, ORE OR LESS, TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-011

PARCEL NO. 3:

LOT 13 IN BLOCK 22 OF CENTRAL COLONIES, ACCORDING TO THE MAP ENTITLED "CENTRAL COLONIES", BEING A PORTION OF THE CENTRAL TRACT OF THE CHOWCHILLA RANCH, FILED AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF MADERA, STATE OF CALIFORNIA, ON DECEMBER 2, 1912 IN BOOK 3 PAGE 21 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-024

PARCEL NO. 4:

LOT 14 IN BLOCK 22 OF CENTRAL COLONIES, IN THE UNINCORPORATED AREA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED DECEMBER 2, 1912 IN BOOK 3 PAGE 21 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT BY DEED RECORDED APRIL 4, 1975 IN BOOK 1228, PAGE 361 OF OFFICIAL RECORDS, DOCUMENT NO. 4791.

ALSO EXCEPTING THEREFROM AN UNDIVIDED ½ INTEREST IN AND TO THE OIL, GAS AND MINERALS IN AND UNDER THE WITHIN DESCRIBED REAL PROPERTY, AS RESERVED IN DEED FROM HALLIE ALLY ROBINSON, RECORDED NOVEMBER 19, 1963 IN BOOK 884 PAGE 23 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-025

PARCEL NO. 5:

LOTS 9 AND 16 IN BLOCK 22 OF CENTRAL COLONIES, ACCORDING TO THE MAP THEREOF RECORDED DECEMBER 2,1912 IN BOOK 3 PAGE 21 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-023

PARCEL NO. 6:

LOT 10 IN BLOCK 22 OF CENTRAL COLONIES, ACCORDING TO THE MAP THEREOF RECORDED DECEMBER 2, 1912 IN BOOK 3 PAGE 21 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-022

PARCEL NO. 7:

LOT 3 AND ALL THAT PORTION OF LOT 4 IN BLOCK 33 OF BERENDA TRUST, ACCORDING TO THE MAP THEREOF RECORDED OCTOBER 10, 1912 IN BOOK 3 PAGE 16 OF MAPS, MADERA COUNTY RECORDS, LYING SOUTH AND EAST OF BERENDA CREEK.

EXCEPTING THEREFROM A PORTION OF SAID LOT 3 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 10312-A:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID LOT 3, SAID POINT BEARS SOUTH 89° 42’ 31” WEST 2733.17 FEET FROM A 4 IN CH BY 4 INCH REDWOOD POST ACCEPTED AS MARKING THE NORTHEAST CORNER OF SAID BLOCK 33 AS DELINEATED UPON MAP ENTITLED, “SURVEY OF A PORTION OF TOWNSHIPS 9, 10 AND 11 SOUTH, RANGES 15 AND 16 EAST, M. D. B. & M., MADERA COUNTY, CALIFORNIA”, FILED ON AUGUST 9, 1972, IN BOOK 18 OF MAPS, AT PAGE 45, 46 AND 47, MADERA COUNTY RECORDS; THENCE FROM SAID POINT OF BEGINNING LEAVING SAID NORTHERLY LINE SOUTH 00° 17’ 29” EAST 25.00 FEET; THENCE SOUTH 89° 42’ 31” WEST 370.00 FEET; THENCE NORTH 00° 17’ 29” WEST 25.00 FEET TO THE NORTHERLY LINE OF SAID LOT 3; THENCE ALONG SAID NORTHERLY LINE NORTH 89° 42’ 31” EAST 370.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-142-002

PARCEL NO. 8:

LOT 2 IN BLOCK 33 OF BERENDA TRACT, ACCORDING TO THE MAP THEREOF RECORDED OCTOBER 10, 1912 IN BOOK 3 PAGE 16 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-142-003

PARCEL NO. 9:

LOTS 5 AND 6 IN BLOCK 32 OF BERENDA TRACT, ACCORDING TO THE MAP THEREOF RECORDED OCTOBER 10, 1912 IN BOOK 3 PAGE 16 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM THE EAST 429 FEET OF LOT 6 AS DEEDED TO ALEXANDER B. BIGLER AND DOROTHY E. BIGLER, HUSBAND AND WIFE, AS JOINT TENANTS, BY DEED RECORDED JULY 26, 1948 IN BOOK 453 PAGE 28 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM AN UNDIVIDED ½ INTEREST IN AND TO ALL OIL, GAS AND MINERALS UNDER SAID LANDS, AS RESERVED IN THE DEED RECORDED OCTOBER 8, 1947 IN BOOK 423 PAGE 34 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL

UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-142-007

PARCEL NO. 10:

LOTS 488 TO 495, INCLUSIVE, IN BLOCK 34 OF DAIRYLAND FARMS SUBDIVISION NO. 2, ACCORDING TO THE MAP THEREOF RECORDED JULY 18, 1914 IN BOOK 4 PAGES 11, 12 AND 13 IN MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM A PARCEL OR STRIP OF LAND IN SECTION 19, TOWNSHIP 10 SOUTH, RANGE 16 EAST, M. D. B. & M., IN THE COUNTY OF MADERA STATE OF CALIFORNIA, BEING A PORTION OF SAID DAIRYLAND FARMS SUBDIVISION NO. 2, AND DESCRIBED AS FOLLOWS:

THE EAST 50.00 FEET OF LOTS 488 AND 495, EXCEPTING THEREFROM THE SOUTH 25.00 FEET OF LOT 495; AND THE NORTH 50.00 FEET OF TH SOUTH 75.00 FEET OF LOTS 492, 493, 494 AND 495, EXCEPTING THEREFROM THE EAST 50.00 FEET OF LOT 495; AND THE WEST 250.00 FEET OF THE SOUTH 25.00 FEET OF LOT 492; ALL IN BLOCK 34, AS SHOWN ON SAID MAP.

ALSO EXCEPTING THEREFROM AN UNDIVIDED ½ INTEREST IN ALL OIL, GAS AND MINERALS IN AND UNDER SAID LAND, AS RESERVED BY THE SECURITY COMPANY IN DEED RECORDED MARCH 5, 1942 IN BOOK 301 PAGE 497 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-150-001

PARCEL NO. 11:

LOT 530 IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12 AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 023-050-014

PARCEL NO. 12:

LOTS 532, 567 AND 568 IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12 AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 023-050-001

PARCEL NO. 13:

LOTS 528, 529, 569, 570 AND 571, IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12 AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 023-050-015

PARCEL NO. 14:

LOT 527 IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12 AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 023-050-017

PARCEL NO. 15:

LOT 596, EXCEPT THE EAST 390.1 FEET THEREOF, AND ALL OF LOTS 595, 642 AND 643 IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12 AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS,

MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 023-050-011

PARCEL NO. 16

LOTS 591 TO 594, INCLUSIVE, AND LOTS 644 TO 647, INCLUSIVE, IN BLOCK 36 OF DAIRYLAND FARMS SUBDIVISION NO. 2, AS SHOWN ON THE MAP THEREOF RECORDED ON JULY 8, 1914 IN BOOK 4, PAGES 11, 12 AND 13 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE WEST 40.0 FEET OF THE EAST 65.0 FEET OF THE NORTH 100.0 FEET OF LOT 591, AS GRANTED TO THE CHOWCHILLA WATER DISTRICT BY DEED DATED OCTOBER 18, 1962 AND RECORDED APRIL 15, 1963 IN BOOK 864 PAGE 167 OF OFFICIAL RECORDS, DOCUMENT NO. 6286.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 023-050-009

PARCEL NO. 17:

LOTS 353 AND 354 IN BLOCK 23 AND 24 OF DAIRYLAND FARMS SUBDIVISION NO. 1, ACCORDING TO THE MAP THEREOF RECORDED SEPTEMBER 2, 1914 IN BOOK 4, PAGES 15, 16 AND 17 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-070-016

PARCEL NO. 18:

LOTS 345 AND 346 IN BLOCK 23 AND 24 OF DAIRYLAND FARMS SUBDIVISION NO. 1, ACCORDING TO THE MAP THEREOF RECORDED SEPTEMBER 2, 1914 IN BOOK 4 PAGES 15, 16 AND 17 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATE THEREIN AND THEREUNDER, AS RESERVED IN THE DEED FROM

OCCIDENTAL LIFE INSURANCE COMPANY OF CALIFORNIA RECORDED AUGUST 17, 1944 IN BOOK 350 PAGE 19 OF OFFICIAL RECORDS, DOCUMENT NO. 4437.

ALSO EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-070-017

PARCEL NO. 19:

LOTS 1, 101, 109 AND 110 IN BLOCK 31 OF EL NUEVA TRACT, ACCORDING TO THE MAP THEREOF RECORDED OCTOBER 10, 1912 IN BOOK 3, PAGE 15 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-090-012

PARCEL NO. 20:

LOTS 347 AND 348 IN BLOCK 23 OF DAIRYLAND FARMS SUBDIVISION NO. 1, IN THE UNINCORPORATED AREA, COUNTY OF MADERA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF RECORDED SEPTEMBER 2, 1914 IN BOOK 4, PAGES 15, 16 AND 17 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-009

PARCEL NO. 21:

LOT 349 IN BLOCK 23 OF DAIRYLAND FARMS SUBDIVISION NO. 1, ACCORDING TO THE MAP THEREOF RECORDED SEPTEMBER 2, 1914 IN BOOK 4, PAGES 15, 16, AND 17 OF MAPS, MADERA COUNTY RECORDS.

EXCEPTING THEREFROM ALL BUILDINGS, STRUCTURES, IMPROVEMENTS AND GROWING CROPS SITUATED THEREON, INCLUDING, WITHOUT LIMITATION, ALMOND TREES, WELLS, PUMPS, MOTORS, ELECTRICAL PANELS, ELECTRICAL HOOKUPS, WATER CONVEYANCE AND DISCHARGE FACILITIES, PIPELINES AND IRRIGATIONS SYSTEMS, HULLER/SHELLER FACILITY, RESIDENTIAL

UNITS AND AIRSTRIP AND ALL RIGHTS THE REAL PROPERTY MAY HAVE TO GROUNDWATER, WHICH ALL SHALL REMAIN REAL PROPERTY, AS RESERVED IN THE DEED RECORDED AUGUST 17, 2010 AS DOCUMENT NO. 2010022415 OF OFFICIAL RECORDS.

APN: 024-120-010

CHOWCHILLA II PROPERTY:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF MADERA, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 10 SOUTH, RANGE 16 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, COUNTY OF MADERA, STATE OF CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE UNITED STATES OF AMERICA IN DEED RECORDED JUNE 14, 1954 IN BOOK 611 OF OFFICIAL RECORDS, PAGE 341, MADERA COUNTY RECORDS.

APN: 027-182-009

PARCEL NO. 2:

LOTS 578, 579, 588 AND 589 OF FAIRMEAD COLONY NO. 5, ACCORDING TO THE MAP ENTITLED, “FAIRMEAD COLONY NO. 5”, IN THE COUNTY OF MADERA, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED BOOK 3, PAGE 7 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
EXCEPTING THEREFROM ½ OF ALL OIL, GAS AND MINERALS IN AND UNDER SAID LAND AS RESERVED IN THE DEED RECORDED MARCH 7, 1973, IN BOOK 1154, PAGE 260, AS DOCUMENT NO. 3636, OFFICIAL RECORDS.

APN: 028-050-003

EXHIBIT B

Form of
GUARANTY OF LEASE

THIS GUARANTY OF LEASE ("Guaranty") is entered into as of the ___ day of ____________, 2017, by [ ]., a California corporation (" **Guarantor** "), for the benefit of [ ], a Delaware limited liability company (" **Landlord** "), with reference to the following facts:

A. Landlord and [ ]., a California corporation (" **Tenant** ") have entered or will enter into that certain Agricultural Lease of even date herewith (the " **Lease** ").

B. By its covenants herein set forth, Guarantor has induced Landlord to enter into the Lease, which was made and entered into in consideration for Guarantor's said covenants.

Now, therefore, Guarantor hereby agrees as follows:

1. Guarantor unconditionally guarantees, without deduction by reason of setoff, defense or counterclaim, to Landlord and its successors and assigns the full and punctual payment, performance and observance by Tenant, of all of the amounts, terms, covenants and conditions in the Lease contained on Tenant's part to be paid, kept, performed and observed.

2. If Tenant shall at any time default in the punctual payment, performance and observance of any of the amounts, terms, covenants or conditions in the Lease contained on Tenant's part to be paid, kept, performed and observed, Guarantor will pay, keep, perform and observe same, as the case may be, in the place and stead of Tenant.

3. Any act of Landlord, or its successors or assigns, consisting of a waiver of any of the terms or conditions of the Lease, the giving of any consent to any matter or thing relating to the Lease, or the granting of any indulgence or extension of time to Tenant may be done without notice to Guarantor and without releasing Guarantor from any of its obligations hereunder.

4. The obligations of Guarantor hereunder shall not be released by Landlord's receipt, application or release of any security given for the performance and observance of any covenant or condition in the Lease contained on Tenant's part to be performed or observed, nor by any modification of the Lease, regardless of whether Guarantor consents thereto or receives notice thereof.

5. The liability of Guarantor hereunder shall in no way be affected by: (a) the release or discharge of Tenant in any creditor's, receivership, bankruptcy or other proceeding; (b) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in bankruptcy, or of any remedy for the enforcement of Tenant's liability under the Lease resulting from the operation of any present or future provision of the national bankruptcy act or other statute or from the decision of any court; (c) the rejection or disaffirmance of the Lease in any such

proceedings; (d) the assignment or transfer of the Lease by Tenant; (e) any disability or other defense of Tenant; (f) the cessation from any cause whatever of the liability of Tenant; (g) the exercise by Landlord of any of its rights or remedies reserved under the Lease or by law; or (h) any termination of the Lease.

6. If Tenant shall become insolvent or be adjudicated bankrupt, whether by voluntary or involuntary petition, if any bankruptcy action involving Tenant shall be commenced or filed, if a petition for reorganization, arrangement or similar relief shall be filed against Tenant, or if a receiver of any part of Tenant's property or assets shall be appointed by any court, and regardless of whether the Lease has been accepted or rejected by the bankruptcy estate or trustee, Guarantor shall pay to Landlord all amounts for which Tenant would have been obligated under the terms of the Lease, subject however to Landlord's statutory and contractual obligations to reasonably mitigate its damages. Any operation of any present or future debtor's relief act or similar act, or law or decision of any court, shall in no way affect the obligations of Guarantor or Tenant to perform any of the terms, covenants or conditions of the Lease or of this Guaranty.

7. Guarantor may be joined in any action against Tenant in connection with the obligations of Tenant under the Lease and recovery may be had against Guarantor in any such action. Landlord may enforce the obligations of Guarantor hereunder without first taking any action whatever against Tenant or its successors and assigns, or pursuing any other remedy or applying any security it may hold. Guarantor hereby waives all rights to assert or plead at any time any statute of limitations as relating to the Lease, the obligations of Guarantor hereunder and any surety or other defense in the nature thereof including, without limitation, the provisions of California Civil Code Section 2845 or any similar, related or successor provision of law. Guarantor also hereby waives the provisions of Sections 2809, 2810, 2819 and 2850 of the California Civil Code and their successors, and all other waivable defenses.

8. Until all of the covenants and conditions in the Lease on Tenant's part to be performed and observed are fully performed and observed, Guarantor: (a) shall have no right of subrogation against Tenant by reason of any payment or performance by Guarantor hereunder and (b) subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

9. This Guaranty shall apply to the Lease, any extension, renewal, modification or amendment thereof, to any assignment, subletting or other tenancy thereunder and to any holdover term following the Lease Term granted under the Lease, or any extension or renewal thereof.

10. In the event of any litigation between Guarantor and Landlord with respect to the subject matter hereof, the unsuccessful party in such litigation shall pay to the successful party all fees, costs and expenses thereof, including reasonable attorneys' fees and expenses.

11. If there is more than one undersigned Guarantor, (a) the term "Guarantor", as used herein, shall include all of the undersigned; (b) each provision of this Guaranty shall be binding on each one of the undersigned, who shall be jointly and severally liable hereunder, and (c)

Landlord shall have the right to join one or all of them in any proceeding or to proceed against them in any order.

12. This instrument constitutes the entire agreement between Landlord and Guarantor with respect to the subject matter hereof, superseding all prior oral and written agreements and understandings with respect thereto. It may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord.

13. This Guaranty shall be governed by and construed in accordance with the laws of the State of California.

14. Every notice, demand or request (collectively " **Notice** ") required hereunder or by law to be given by either party to the other shall be in writing and be either personally served, sent with return receipt requested by certified mail with postage prepaid, sent by nationally recognized overnight courier service, or sent by facsimile with an original to be delivered by nationally recognized overnight courier service, and addressed to the respective Parties as follows:

To Guarantor: [ ].
Attention: _____________, _______
____
____
Phone: (____) __________
Fax: (____) __________
E-Mail: ____________________

To Lessor:

or to such other person or at such other place as either Party may from time to time designate by written notice to the other Party.

Notice given in the foregoing manner shall be deemed sufficiently given for all purposes hereunder on the date the same was personally delivered, deposited with the United States Postal Service, deposited with a nationally recognized overnight courier service, or sent by facsimile, or e-mail (provided that in the case of e-mail notice, a hard copy of such communication shall follow by one of the other modes of delivery set forth herein within two (2) days of such e-mail notice) except that notices of changes of address shall not be effective until actual receipt.

15. Any action to declare or enforce any right or obligation under the Lease may be commenced by Landlord in the Superior Court of Fresno County, California. Guarantor hereby consents to the jurisdiction of such Court for such purposes. Any notice, complaint or legal process so delivered shall constitute adequate notice and service of process for all purposes and shall subject Guarantor to the jurisdiction of such Court for purposes of adjudicating any matter related to this Guaranty. Landlord and Guarantor hereby waive their respective rights to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or

hearing brought by either Landlord against Guarantor or Guarantor against Landlord on any matter whatever arising out of, or in any way connected with, the Lease or this Guaranty.

16. This Guaranty may be assigned in whole or part by Landlord upon written notice to Guarantor, but it may not be assigned by Guarantor without Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion.

17. The terms and provisions of this Guaranty shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and permitted assigns of the parties hereto.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

"GUARANTOR"
[ ]., a California corporation

By: DO NOT SIGN - EXHIBIT
_____________________, President

By: DO NOT SIGN - EXHIBIT
_____________________, Secretary

EXHIBIT C

EXHIBIT D
DEVELOPMENT PLAN

In 2018, Lessee shall complete development on the Stella Property consistent with the following specifications:

Crop:	Pistachios
Net acres planted:	±305
Spacing:	16 x 20 (approximately 136 trees per acre)
Rootstock:	UCB-1 (potted plants)
Scions:	Kerman (female) and Peters (male)
Nursery:	Sierra Gold

INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (this **"Agreement"**) is entered into as of , 20 , by and among FARMLAND PARTNERS INC., a Maryland corporation (the **"Company"** or the **"Indemnitor"**) and [ ] (the **"Indemnitee"**). See Schedule A for a list of officers and directors who have entered into this Indemnification Agreement with the Company.

WHEREAS, the Indemnitee is an officer [or][and] a member of the Board of Directors of the Company and in such [capacity] [capacities] is performing a valuable service for the Company;

WHEREAS, Maryland law permits the Company to enter into contracts with its officers or members of its Board of Directors with respect to indemnification of, and advancement of expenses to, such persons;

WHEREAS, the Articles of Amendment and Restatement of the Company (the **"Charter"**) provide that the Company shall indemnify and advance expenses to its directors and officers to the maximum extent permitted by Maryland law in effect from time to time;

WHEREAS, the Bylaws of the Company (the **"Bylaws"**) provide that each director and officer of the Company shall be indemnified by the Company to the maximum extent permitted by Maryland law in effect from time to time and shall be entitled to advancement of expenses consistent with Maryland law; and

WHEREAS, to induce the Indemnitee to provide services to the Company as an officer [or][and] a member of the Board of Directors, and to provide the Indemnitee with specific contractual assurance that indemnification will be available to the Indemnitee regardless of, among other things, any amendment to or revocation of the Charter or the Bylaws, or any acquisition transaction relating to the Company, the Indemnitor desires to provide the Indemnitee with protection against personal liability as set forth herein.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Indemnitor and the Indemnitee hereby agree as follows:

1. **DEFINITIONS.**

For purposes of this Agreement:

(a) **"Change in Control"** shall have the meaning ascribed to it by the Company's 2014 Equity Incentive Plan or any equity incentive or stock compensation plan adopted by the Board of Directors and approved by the stockholders of the Company that may later replace the Company's 2014 Equity Incentive Plan.

(b) **"Corporate Status"** describes the status of a person who is or was a director or officer of the Company or is or was serving at the request of the Company as a director, officer, partner (limited or general), member, director, employee or agent of any other foreign or domestic corporation, partnership, joint venture, limited liability company, trust, other enterprise (whether conducted for profit or not for profit) or employee benefit plan. The Company shall be deemed to have requested

the Indemnitee to serve an employee benefit plan where the performance of the Indemnitee's duties to the Company also imposes or imposed duties on, or otherwise involves or involved services by, the Indemnitee to the plan or participants or beneficiaries of the plan.

(c) **"Expenses"** shall include all attorneys' and paralegals' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, or being or preparing to be a witness in a Proceeding.

(d) **"Proceeding"** includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation (including any internal investigation), administrative hearing, or any other proceeding, including appeals therefrom, whether civil, criminal, administrative, or investigative, except one initiated by the Indemnitee pursuant to paragraph 8 of this Agreement to enforce such Indemnitee's rights under this Agreement.

(e) **"Special Legal Counsel"** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, or in the past two years has been, retained to represent (i) the Indemnitor or the Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder.

2. **INDEMNIFICATION.**

The Indemnitee shall be entitled to the rights of indemnification provided in this paragraph 2 and under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders or resolution of the Board of Directors or otherwise if, by reason of such Indemnitee's Corporate Status, such Indemnitee is, or is threatened to be made, a party to any threatened, pending, or completed Proceeding, including a Proceeding by or in the right of the Company. Unless prohibited by paragraph 13 hereof and subject to the other provisions of this Agreement, the Indemnitee shall be indemnified hereunder, to the maximum extent permitted by Maryland law in effect from time to time, against judgments, penalties, fines, liabilities, and settlements and reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with such Proceeding or any claim, issue or matter therein; provided, however, that if such Proceeding was initiated by or in the right of the Company, indemnification may not be made in respect of such Proceeding if the Indemnitee shall have been finally adjudged to be liable to the Company. For purposes of this paragraph 2, excise taxes assessed on the Indemnitee with respect to an employee benefit plan pursuant to applicable law shall be deemed fines.

3. **EXPENSES OF A SUCCESSFUL PARTY.**

Without limiting the effect of any other provision of this Agreement, including the rights provided for in paragraphs 2 and 4 hereof, and without regard to the provisions of paragraph 6 hereof, to the extent that the Indemnitee is, by reason of such Indemnitee's Corporate Status, a

party to and is successful, on the merits or otherwise, in any Proceeding pursuant to a final non-appealable order, such Indemnitee shall be indemnified against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection therewith. If the Indemnitee is not wholly successful in such Proceeding pursuant to a final non-appealable order but is successful, on the merits or otherwise, as to one or more but less than all claims, issues, or matters in such Proceeding pursuant to a final non-appealable order, the Indemnitor shall indemnify the Indemnitee against all reasonable Expenses actually incurred by or on behalf of such Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this paragraph and without limitation, the termination of any claim, issue or matter in such Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

4. **ADVANCEMENT OF EXPENSES.**

Notwithstanding anything in this Agreement to the contrary, but subject to paragraph 13 hereof, if the Indemnitee is or was or becomes a party to or is otherwise involved in any Proceeding (including as a witness), or is or was threatened to be made a party to or a participant (including as a witness) in any such Proceeding, by reason of the Indemnitee's Corporate Status, or by reason of (or arising in part out of) any actual or alleged event or occurrence related to the Indemnitee's Corporate Status, or by reason of any actual or alleged act or omission on the part of the Indemnitee taken or omitted in or relating to the Indemnitee's Corporate Status, then the Indemnitor shall advance all reasonable Expenses incurred by the Indemnitee in connection with any such Proceeding within twenty (20) days after the receipt by the Indemnitor of a statement from the Indemnitee requesting such advance from time to time, whether prior to or after final disposition of such Proceeding; provided that, such statement shall reasonably evidence the Expenses incurred or to be incurred by the Indemnitee and shall include or be preceded or accompanied by (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Indemnitor as authorized by this Agreement has been met and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amounts advanced if it should ultimately be determined that the standard of conduct has not been met. The undertaking required by clause (ii) of the immediately preceding sentence shall be an unlimited general obligation of the Indemnitee but need not be secured and may be accepted without reference to financial ability to make the repayment.

5. **WITNESS EXPENSES.**

Notwithstanding any other provision of this Agreement, to the extent that the Indemnitee is, by reason of such Indemnitee's Corporate Status, a witness for any reason in any Proceeding to which such Indemnitee is not a named defendant or respondent, such Indemnitee shall be indemnified by the Indemnitor against all Expenses actually incurred by or on behalf of such Indemnitee in connection therewith.

6. **DETERMINATION OF ENTITLEMENT TO AND AUTHORIZATION OF INDEMNIFICATION.**

(a) To obtain indemnification under this Agreement, the Indemnitee shall submit to the Indemnitor a written request, including therewith such documentation and

information reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification.

(b) Indemnification under this Agreement may not be made unless authorized for a specific Proceeding after a determination has been made in accordance with this paragraph 6(b) that indemnification of the Indemnitee is permissible in the circumstances because the Indemnitee has met the following standard of conduct: the Indemnitor shall indemnify the Indemnitee in accordance with the provisions of paragraph 2 hereof, unless it is established that: (a) the act or omission of the Indemnitee was material to the matter giving rise to the Proceeding and (x) was committed in bad faith or (y) was the result of active and deliberate dishonesty; (b) the Indemnitee actually received an improper personal benefit in money, property or services; or (c) in the case of any criminal proceeding, the Indemnitee had reasonable cause to believe that the act or omission was unlawful. Upon receipt by the Indemnitor of the Indemnitee's written request for indemnification pursuant to subparagraph 6(a), a determination as to whether the applicable standard of conduct has been met shall be made within the period specified in paragraph 6(e): (i) if a Change in Control shall have occurred, by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee, with Special Legal Counsel selected by the Indemnitee (the Indemnitee shall give prompt written notice to the Indemnitor advising the Indemnitor of the identity of the Special Legal Counsel so selected); or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of directors not, at the time, parties to the Proceeding, or, if such quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors consisting solely of two or more directors not, at the time, parties to such Proceeding and who were duly designated to act in the matter by a majority vote of the full Board of Directors in which the designated directors who are parties may participate, (B) if the requisite quorum of the full Board of Directors cannot be obtained therefor and the committee cannot be established (or, even if such quorum is obtainable or such committee can be established, if such quorum or committee so directs), by Special Legal Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, with Special Legal Counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in clause (ii)(A) of this paragraph 6(b) (or, if the requisite quorum of the full Board of Directors cannot be obtained therefor and the committee cannot be established, by a majority of the full Board of Directors in which directors who are parties to the Proceeding may participate) (if the Indemnitor selects Special Legal Counsel to make the determination under this clause (ii), the Indemnitor shall give prompt written notice to the Indemnitee advising him or her of the identity of the Special Legal Counsel so selected) or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that the Indemnitee is entitled to indemnification, payment to the Indemnitee shall be made within ten (10) days after such determination. Authorization of indemnification and determination as to reasonableness of Expenses shall be made in the same manner as the determination that indemnification is permissible.

However, if the determination that indemnification is permissible is made by Special Legal Counsel under clause (ii)(B) above, authorization of indemnification and determination as to reasonableness of Expenses shall be made in the manner specified under clause (ii)(B) above for the selection of such Special Legal Counsel.

(c) The Indemnitee shall cooperate with the person or entity making such determination with respect to the Indemnitee's entitlement to indemnification, including providing upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Indemnitee and reasonably necessary to such determination. Any reasonable costs or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnitee in so cooperating shall be borne by the Indemnitor (irrespective of the determination as to the Indemnitee's entitlement to indemnification) and the Indemnitor hereby indemnifies and agrees to hold the Indemnitee harmless therefrom.

(d) In the event the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(b) hereof, the Indemnitee, or the Indemnitor, as the case may be, may, within seven days after such written notice of selection shall have been given, deliver to the Indemnitor or to the Indemnitee, as the case may be, a written objection to such selection. Such objection may be asserted only on the grounds that the Special Legal Counsel so selected does not meet the requirements of "Special Legal Counsel" as defined in paragraph 1 of this Agreement. If such written objection is made, the Special Legal Counsel so selected may not serve as Special Legal Counsel until a court has determined that such objection is without merit. If, within twenty (20) days after submission by the Indemnitee of a written request for indemnification pursuant to paragraph 6(a) hereof, no Special Legal Counsel shall have been selected or, if selected, shall have been objected to, either the Indemnitor or the Indemnitee may petition a court for resolution of any objection which shall have been made by the Indemnitor or the Indemnitee to the other's selection of Special Legal Counsel and/or for the appointment as Special Legal Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is so resolved or the person so appointed shall act as Special Legal Counsel under paragraph 6(b) hereof. The Indemnitor shall pay all reasonable fees and expenses of Special Legal Counsel incurred in connection with acting pursuant to paragraph 6(b) hereof, and all reasonable fees and expenses incident to the selection of such Special Legal Counsel pursuant to this paragraph 6(d). In the event that a determination of entitlement to indemnification is to be made by Special Legal Counsel and such determination shall not have been made and delivered in a written opinion within ninety (90) days after the receipt by the Indemnitor of the Indemnitee's request in accordance with paragraph 6(a), upon the due commencement of any judicial proceeding in accordance with paragraph 8(a) of this Agreement, Special Legal Counsel shall be discharged and relieved of any further responsibility in such capacity.

(e) If the person or entity making the determination whether the Indemnitee is entitled to indemnification shall not have made a determination within forty-five (45) days after receipt by the Indemnitor of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be entitled to such indemnification, absent: (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. Such 45-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person or entity making said determination in good faith requires additional time for the obtaining or evaluating of documentation and/or information relating thereto. The foregoing provisions of this paragraph 6(e) shall not apply: (i) if the determination of entitlement to indemnification is to be made by the stockholders and if within fifteen (15) days after receipt by the Indemnitor of the request for such determination the Board of Directors resolves to submit such determination to the stockholders for consideration at an annual or special meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made at such meeting, or (ii) if the determination of entitlement to indemnification is to be made by Special Legal Counsel pursuant to paragraph 6(b) of this Agreement.

7. **PRESUMPTIONS.**

(a) In making a determination with respect to entitlement or authorization of indemnification hereunder, the person or entity making such determination shall presume that the Indemnitee is entitled to indemnification under this Agreement and the Indemnitor shall have the burden of proof to overcome such presumption.

(b) The termination of any Proceeding by conviction, or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

8. **REMEDIES.**

(a) In the event that: (i) a determination is made in accordance with the provisions of paragraph 6 that the Indemnitee is not entitled to indemnification under this Agreement, or (ii) advancement of reasonable Expenses is not timely made pursuant to this Agreement, or (iii) payment of indemnification due the Indemnitee under this Agreement is not timely made, the Indemnitee shall be entitled to an adjudication in an appropriate court of competent jurisdiction of such Indemnitee's entitlement to such indemnification or advancement of Expenses.

(b) In the event that a determination shall have been made pursuant to paragraph 6 of this Agreement that the Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this paragraph 8 shall be conducted in all

respects as a de novo trial on the merits. The fact that a determination had been made earlier pursuant to paragraph 6 of this Agreement that the Indemnitee was not entitled to indemnification shall not be taken into account in any judicial proceeding commenced pursuant to this paragraph 8 and the Indemnitee shall not be prejudiced in any way by reason of that adverse determination. In any judicial proceeding commenced pursuant to this paragraph 8, the Indemnitor shall have the burden of proving that the Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made or deemed to have been made pursuant to this Agreement that the Indemnitee is entitled to indemnification, the Indemnitor shall be bound by such determination in any judicial proceeding commenced pursuant to this paragraph 8, absent: (i) a misstatement by the Indemnitee of a material fact, or an omission of a material fact necessary to make the Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Indemnitor shall be precluded from asserting in any judicial proceeding commenced pursuant to this paragraph 8 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Indemnitor is bound by all the provisions of this Agreement.

(e) In the event that the Indemnitee, pursuant to this paragraph 8, seeks a judicial adjudication of such Indemnitee's rights under, or to recover damages for breach of, this Agreement, if successful on the merits or otherwise as to all or less than all claims, issues or matters in such judicial adjudication, the Indemnitee shall be entitled to recover from the Indemnitor, and shall be indemnified by the Indemnitor against, any and all reasonable Expenses actually incurred by such Indemnitee in connection with each successfully resolved claim, issue or matter.

9. **NOTIFICATION AND DEFENSE OF CLAIMS.**

The Indemnitee agrees promptly to notify the Indemnitor in writing upon being served with any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder, but the failure so to notify the Indemnitor will not relieve the Indemnitor from any liability that the Indemnitor may have to Indemnitee under this Agreement unless the Indemnitor is materially prejudiced thereby. With respect to any such Proceeding as to which Indemnitee notifies the Indemnitor of the commencement thereof:

(a) The Indemnitor will be entitled to participate therein at its own expense.

(b) Except as otherwise provided below, the Indemnitor will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Indemnitor to Indemnitee of the Indemnitor's election so to assume the defense thereof, the Indemnitor will not be liable to Indemnitee under this

Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and disbursements of such counsel incurred after notice from the Indemnitor of the Indemnitor's assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by Indemnitee has been authorized by the Indemnitor, (b) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Indemnitor and the Indemnitee in the conduct of the defense of such action, (c) such Proceeding seeks penalties or other relief against the Indemnitee with respect to which the Indemnitor could not provide monetary indemnification to the Indemnitee (such as injunctive relief or incarceration) or (d) the Indemnitor shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and disbursements of counsel shall be at the expense of the Indemnitor. The Indemnitor shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Indemnitor, or as to which Indemnitee shall have reached the conclusion specified in clause (b) above, or which involves penalties or other relief against Indemnitee of the type referred to in clause (c) above.

(c) The Indemnitor shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action or claim effected without the Indemnitor's written consent. The Indemnitor shall not settle any action or claim in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Indemnitor nor Indemnitee will unreasonably withhold or delay consent to any proposed settlement.

10. **NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE SUBROGATION.**

(a) The rights of indemnification and to receive advancement of reasonable Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which the Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any other agreement, a vote of stockholders, a resolution of the Board of Directors or otherwise, except that any payments otherwise required to be made by the Indemnitor hereunder shall be offset by any and all amounts received by the Indemnitee from any other indemnitor or under one or more liability insurance policies maintained by an indemnitor or otherwise and shall not be duplicative of any other payments received by an Indemnitee from the Indemnitor in respect of the matter giving rise to the indemnity hereunder. No amendment, alteration or repeal of this Agreement or any provision hereof shall be effective as to the Indemnitee with respect to any action taken or omitted by the Indemnitee prior to such amendment, alteration or repeal.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors and officers of the Company, the Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available and upon any

Change in Control the Company shall use commercially reasonable efforts to obtain or arrange for continuation and/or "tail" coverage for the Indemnitee to the maximum extent obtainable at such time.

(c) In the event of any payment under this Agreement, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee, who shall execute all papers required and take all actions necessary to secure such rights, including execution of such documents as are necessary to enable the Indemnitor to bring suit to enforce such rights.

(d) The Indemnitor shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that the Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement, or otherwise.

11. **CONTINUATION OF INDEMNITY.**

(a) All agreements and obligations of the Indemnitor contained herein shall continue during the period the Indemnitee is an officer or a member of the Board of Directors of the Company and shall continue thereafter so long as the Indemnitee shall be subject to any threatened, pending or completed Proceeding by reason of such Indemnitee's Corporate Status and during the period of statute of limitations for any act or omission occurring during the Indemnitee's term of Corporate Status. This Agreement shall be binding upon the Indemnitor and its respective successors and assigns and shall inure to the benefit of the Indemnitee and such Indemnitee's heirs, executors and administrators.

(b) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

12. **SEVERABILITY.**

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (i) the validity, legality, and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provisions held invalid, illegal or unenforceable.

13. **EXCEPTIONS TO RIGHT OF INDEMNIFICATION OR ADVANCEMENT OF EXPENSES.**

Notwithstanding any other provisions of this Agreement, the Indemnitee shall not be entitled to indemnification or advancement of reasonable Expenses under this Agreement with respect to (i) any Proceeding initiated by such Indemnitee against the Indemnitor other than a proceeding commenced pursuant to paragraph 8 hereof, or (ii) any Proceeding for an accounting of profits arising from the purchase and sale by Indemnitee of securities of the Company in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, rules and regulations promulgated thereunder, or any similar provisions of any federal, state or local statute.

14. **NOTICE TO THE COMPANY STOCKHOLDERS.**

Any indemnification of, or advancement of reasonable Expenses, to an Indemnitee in accordance with this Agreement, if arising out of a Proceeding by or in the right of the Company, shall be reported in writing to the stockholders of the Company with the notice of the next Company stockholders' meeting or prior to the meeting.

15. **HEADINGS.**

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

16. **MODIFICATION AND WAIVER.**

No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. **NOTICES.**

All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, if so delivered or mailed, as the case may be, to the following addresses:

If to the Indemnitee, to the address set forth in the records of the Company.
If to the Indemnitor, to:
Farmland Partners Inc.
4600 S. Syracuse Street, Suite 1450
Denver, Colorado 80237
Attention: Chief Executive Officer

with a copy (which shall not constitute notice) to:
Morrison & Foerster LLP
2000 Pennsylvania Avenue
Suite 6000
Washington, DC 20006
Attention: Justin R. Salon, Esq.
Fax: 202-887-0763
Email: JSalon@mofo.com

or to such other address as may have been furnished to the Indemnitee by the Indemnitor or to the Indemnitor by the Indemnitee, as the case may be.

18. **GOVERNING LAW.**

The parties agree that this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without application of the conflict of laws principles thereof.

19. **NO ASSIGNMENTS.**

The Indemnitee may not assign its rights or delegate obligations under this Agreement without the prior written consent of the Indemnitor. Any assignment or delegation in violation of this paragraph 19 shall be null and void.

20. **NO THIRD-PARTY RIGHTS.**

Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions are for the sole and exclusive benefit of the parties to this Agreement and their successors and permitted assigns.

21. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together constitute an agreement binding on all of the parties hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FARMLAND PARTNERS INC.

By: ____________________________
Name:
Title:

INDEMNITEE:

By: ____________________________
Name:
Title:

Signature Page to Indemnification Agreement

Schedule A

Indemnitee	Date
Paul A. Pittman	April 16, 2014
Luca Fabbri	April 16, 2014
Jay Bartels	April 16, 2014
Chris A. Downey	April 16, 2014
Dean Jernigan	April 16, 2014
Darell D. Sarff	April 16, 2014
Robert S. Solomon	April 16, 2014
Joseph W. Glauber	February 25, 2015
Michael N. Christodolou	November 20, 2015
John C. Conrad	March 27, 2016
Robert L. Cowan	February 2, 2017
D. Dixon Boardman	February 2, 2017
Thomas S.T. Gimbel	February 2, 2017
John A. Good	January 21, 2018

FPI CONFIDENTIAL

**AMENDED AND RESTATED FARMLAND PARTNERS INC.
EMPLOYMENT AGREEMENT**

This **AMENDED AND RESTATED EMPLOYMENT AGREEMENT** (this " Agreement ") dated as of December 13, 2018 (the " Effective Date "), is entered into between Farmland Partners Inc., a Maryland corporation (the " Farmland "), and Farmland Partners Operating Partnership, LP, a Delaware limited partnership (the " Operating Partnership " and, together with Farmland, the " Company "), each with its principal place of business at 4600 S. Syracuse Street, Suite 1450, Denver, CO 80237, and Paul A. Pittman residing at the address on file with the Company (the " Employee ").

W I T N E S S E T H

WHEREAS , the Company and Employee entered into that certain Employment Agreement dated March 9, 2018 (the "Original Agreement");

WHEREAS , Employee and the Company are parties to an employment agreement dated as of April 16, 2014 (the " Prior Agreement ");

WHEREAS , the Company and the Employee desire that, effective as of the Effective Date, this Agreement supersedes and replaces in its entirety the Prior Agreement and, as of such date, the Prior Agreement shall be of no further force or effect; and

WHEREAS , the Company and Employee now wish to clarify language in the Original Agreement as set forth herein, which shall amend, restate and supersede the Original Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. POSITION AND DUTIES.

(a) During the Employment Term (as defined in Section 2 hereof), the Employee shall serve as the Executive Chairman of the Board and Chief Executive Officer of the Company. In this capacity, the Employee shall have the duties, authorities and responsibilities as are required by the Employee's position commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies, and such other duties, authorities and responsibilities as may reasonably be assigned to the Employee as the Board of Directors of the Company (the " Board ") shall designate from time to time that are not inconsistent with the Employee's position with the Company and that are consistent with the bylaws of the Company and the amended and restated agreement of limited partnership of the Operating Partnership as it may be further amended from time to time, including, but not limited to, managing the affairs of the Company. The Employee will work with the Company's management team on a schedule that allows for adequate time at the Company's headquarters in Denver, Colorado and in Illinois, California, and other states where the Company owns property.

Employee understands and agrees that the Employee may be required to travel from time to time to other locations for business purposes. The Employee shall report directly to the Board.

(b) During the Employment Term, the Employee shall devote substantially all of the Employee's business time, energy, business judgment, knowledge and skill and the Employee's best efforts to the performance of the Employee's duties with the Company, provided that the foregoing shall not prevent the Employee from (i) serving on the boards of directors of non-profit organizations, (ii) participating in charitable, civic, educational, professional, community or industry affairs, and (iii) managing the Employee's personal investments and/or personal business as necessary, so long as such activities in the aggregate do not interfere or conflict with the Employee's duties hereunder or create a potential business or fiduciary conflict.

(c) During the Employment Term, the Board shall nominate the Employee for re-election as a member of the Board at the expiration of the then current term, provided that the foregoing shall not be required if any of the events constituting Cause (as defined herein) have occurred and have not been cured or to the extent prohibited by legal or regulatory requirements. If the Employee is so nominated and elected to the Board, the Employee hereby agrees to serve as a member of the Board.

2. EMPLOYMENT TERM. The Company agrees to employ the Employee pursuant to the terms of this Agreement, and the Employee agrees to be so employed, for a term of three (3) years (the " Initial Term ") commencing as of the Effective Date. Commencing with the last day of the Initial Term, and on each subsequent anniversary of such date, the term of this Agreement shall be automatically extended for successive one-year periods, provided , however , that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least sixty (60) days prior to any such anniversary date. Notwithstanding the foregoing, the Employee's employment hereunder may be earlier terminated in accordance with Section 7 hereof, subject to Section 8 hereof. The period of time between the Effective Date with the Company and the end of the Initial Term and any successor terms (or earlier upon a termination of the Employee's employment hereunder) shall be referred to herein as the " Employment Term ." If the Employee's employment continues following any expiration of the Employment Term due to either party giving notice not to extend this Agreement, such employment will be entirely "at-will," and will not be covered by this Agreement (except for the applicable restrictive covenant provisions, which are intended to survive expiration of the Agreement in all cases).

3. BASE SALARY. The Company agrees to pay the Employee a base salary at an annual rate of not less than $477,000.00, payable in accordance with the regular payroll practices of the Company, but not less frequently than monthly. The Employee's Base Salary shall be subject to annual review by the Board (or a committee thereof), and may be adjusted from time to time by the Board or the Compensation Committee of the Board (the " Compensation Committee ") in its sole discretion. The base salary as determined herein and adjusted from time to time shall constitute " Base Salary " for purposes of this Agreement.

4. ANNUAL BONUS. During the Employment Term, the Employee shall be eligible to receive an annual discretionary incentive payment under the Company's annual bonus plan as may be in effect from time to time (the " Annual Bonus ") based upon the attainment of

one or more pre-established performance goals and/or such other criteria as may be established by the Board or the Compensation Committee in its sole discretion.

5. EQUITY AWARDS. The Employee shall be considered to receive equity and other long-term incentive awards (including long-term incentive units in the Operating Partnership) under any applicable plan adopted by the Company during the Employment Term.

6. EMPLOYEE BENEFITS.

(a) **BENEFIT PLANS.** During the Employment Term, the Employee shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided hereunder. The Employee's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time.

(b) **VACATIONS.** During the Employment Term, the Employee shall be entitled to three weeks paid vacation per calendar year (as prorated for partial years) in accordance with the Company's policy on accrual and use applicable to employees as in effect from time to time.

(c) **BUSINESS AND ENTERTAINMENT EXPENSES.** Upon presentation of reasonable substantiation and documentation as the Company may specify from time to time, the Employee shall be reimbursed in accordance with the Company's expense reimbursement policy for all reasonable out-of-pocket business and entertainment expenses incurred and paid by the Employee during the Employment Term and in connection with the performance of the Employee's duties hereunder.

7. TERMINATION. The Employee's employment and the Employment Term shall terminate on the first of the following to occur:

(a) **DISABILITY.** Upon termination of Employee's employment by the Company due to Employee's Disability. For purposes of this Agreement, " Disability " shall be defined as the inability of the Employee to have performed the Employee's material duties hereunder due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including weekends and holidays) in any 365-day period as determined by the Board in its reasonable discretion. The Company shall provide at least ten (10) days' prior written notice of any termination due to Employee's Disability.

(b) **DEATH.** Automatically upon the date of death of the Employee.

(c) **CAUSE.** Upon termination of Employee's employment by the Company for Cause. " Cause " shall mean:

(i) Employee's continued failure to substantially perform duties for reasons other than Disability, or gross negligence or willful misconduct in connection with the performance of the Employee's duties to the Company;

(ii) Employee's conviction or plea of guilty or nolo contendere of a felony;

(iii) Employee's conviction of any other criminal offense involving an act of dishonesty intended to result in substantial personal enrichment of Employee at the expense of the Company or an affiliate of the Company; or

(iv) Employee's material breach of any Company policy or term of this Agreement or any other employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Employee and the Company or an affiliate of the Company.

Any determination of Cause by the Company will be made by a resolution approved by a majority of the members of the Board, provided that no such determination may be made until the Employee has been given written notice detailing the specific Cause event, an opportunity to appear before the full Board with legal counsel, and a period of thirty (30) days following receipt of such notice to cure such event (if susceptible to cure) to the satisfaction of the Board. Notwithstanding anything to the contrary contained herein, the Employee's right to cure and appear before the full Board with legal counsel as set forth in the preceding sentence shall not apply if there are habitual or repeated breaches by the Employee. The Company shall provide the Employee with a written notice detailing the specific circumstances alleged to constitute Cause within ninety (90) days after the first occurrence of such circumstances (or, if later, the date the Company first becomes aware, or reasonably should have become aware, of such circumstances) **.** The failure by the Company to provide written notice in detail of the circumstances constituting "Cause" within the time period set forth in the preceding sentence shall result in the Company being deemed not to have terminated employment for Cause and to have irrevocably waived any claim of such circumstances constituting Cause under this Agreement.

(d) **WITHOUT CAUSE.** Upon termination by the Company of the Employee's employment without Cause (other than for Disability).

(e) **GOOD REASON.** Upon termination by the Employee for Good Reason. " Good Reason " shall mean the occurrence of any of the following events without the express written consent of the Employee, unless such events are fully corrected in all material respects by the Company within thirty (30) days following written notification by the Employee to the Company of the occurrence of one of the following:

(i) material diminution in the Employee's Base Salary or the Employee's Total Compensation is less than $950,000;

(ii) material diminution in the Employee's duties, authorities or responsibilities (other than temporarily while physically or mentally incapacitated or as required by applicable law); or

(iii) the Company's material breach of the terms of this Agreement.

The Employee shall provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within ninety (90) days after the first

occurrence of such circumstances that the Employee knows or reasonably should have known to constitute Good Reason, and actually terminate employment within thirty (30) days following the expiration of the Company's thirty (30)-day cure period described above . The failure by the Employee to provide written notice in detail of the circumstances constituting "Good Reason" within the time period set forth in the preceding sentence shall result in the Employee being deemed not to have terminated employment for Good Reason and to have irrevocably waived any claim of such circumstances constituting Good Reason under this Agreement.

Notwithstanding anything to the contrary in the Prior Agreement, this Agreement or otherwise, in no event shall the replacement of the Prior Agreement with this Agreement constitute Good Reason.

(f) **WITHOUT GOOD REASON.** Upon the Employee's voluntary termination of employment without Good Reason. The Employee shall provide at least thirty (30) days' prior written notice of any termination without Good Reason. The Company may, in its sole discretion, make the termination effective earlier than the termination date set forth in the notice.

(g) **EXPIRATION OF EMPLOYMENT TERM; NON-EXTENSION OF AGREEMENT.** Upon the expiration of the Employment Term due to a non-extension of the Agreement by the Company or the Employee pursuant to the provisions of Section 2 hereof.

8. CONSEQUENCES OF TERMINATION.

(a) **DEATH.** In the event that the Employee's employment and the Employment Term end on account of the Employee's death, the Employee or the Employee's estate, as the case may be, shall be entitled to a lump sum payment of the following within sixty (60) days following termination of employment, or such earlier date as may be required by applicable law:

(i) any unpaid Base Salary through the termination date;

(ii) any Annual Bonus earned and accrued but unpaid;

(iii) any accrued but unused vacation time in accordance with Company policy; and

(iv) reimbursement for any unreimbursed business expenses incurred through the termination date (collectively, Sections 8(a)(i) through 8(a)(iv) hereof shall be hereafter referred to as the " Accrued Benefits ").

(b) **DISABILITY.** In the event that the Employee's employment and/or Employment Term ends on account of the Employee's Disability, the Company shall pay or provide the Employee with the following:

(i) the Accrued Benefits; and

(ii) subject to (A) the Employee's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (" COBRA ") and (B) the Employee's continued compliance with the obligations in Sections 10 and 11 hereof,

Employee shall be reimbursed for the amount equal to the COBRA continuation coverage premiums paid by the Employee that is required for coverage of the Employee (or his eligible dependents) under the Company's major medical group health plan, for a period of eighteen (18) months, or, if less, until the Employee or his eligible dependents are no longer entitled to such COBRA coverage (the " Continued Coverage Period "), *provided* , that if at any time the Company determines that its payment of Employee's premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the " Code "), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the premiums described above, the Company will instead pay a fully taxable monthly cash payment in an amount such that, after payment by Employee of all taxes on such payment, Employee retains an amount equal to the applicable premiums for such month, with such monthly payment being made on the last day of each month for the remainder of the Continued Coverage Period.

(c) **TERMINATION FOR CAUSE OR WITHOUT GOOD REASON OR AS A RESULT OF EMPLOYEE NON-EXTENSION OF THIS AGREEMENT.** If the Employee's employment and the Employment Term are terminated (x) by the Company for Cause, (y) by the Employee without Good Reason, or (z) as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, the Company shall pay to the Employee the Accrued Benefits.

(d) **TERMINATION WITHOUT CAUSE OR FOR GOOD REASON; OR TERMINATION AS A RESULT OF COMPANY NON-EXTENSION OF THIS AGREEMENT.** If the Employee's employment and the Employment Term are terminated (x) by the Company other than for Cause (other than death or Disability) or by the Employee for Good Reason or (y) as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, the Company shall pay or provide the Employee with the following:

(i) the Accrued Benefits;

(ii) subject to the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, an amount equal to three (3) times the sum of (A) the Base Salary in effect on the termination date, (B) the average of the three (3) most recent Annual Bonuses earned by the Employee (regardless of whether such amount was paid out on a current basis or deferred), plus (C) the average Equity Award Value (as defined below) of the three (3) most recent Annual Grants (as defined below) made to the Employee by the Company, paid in full in a lump sum within sixty (60) days after the Date of Termination; *provided* , *however* , that, to the extent required by Section 409A, if the sixty (60) day period begins in one calendar year and ends in a second calendar year, payment shall be made in the second calendar year.

(iii) subject to (A) the Employee's timely election of continuation coverage under COBRA and (B) the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, Employee shall be reimbursed for the amount equal to the COBRA continuation coverage premiums paid by the Employee that is required for coverage of the Employee (or his eligible dependents) under the Company's major medical group health plan, for the Continued

Coverage Period, *provided* , that if at any time the Company determines that its payment of Employee's premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code, or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the premiums described above, the Company will instead pay a fully taxable monthly cash payment in an amount such that, after payment by Employee of all taxes on such payment, Employee retains an amount equal to the applicable premiums for such month, with such monthly payment being made on the last day of each month for the remainder of the Continued Coverage Period; and

(iv) all of the Employee's equity-based awards that are outstanding on the termination date shall immediately become fully vested and, as applicable, exercisable, without any action by the Board or Compensation Committee; *provided* , that to the extent an award is intended to qualify as performance-based compensation for purposes of Internal Revenue Code Section 162(m), such award shall not vest as a result of the termination of the Employee's employment and shall, instead, remain outstanding after such termination and shall be subject to the terms and conditions of the applicable award agreement and plan document (other than continued employment).

Payments and benefits provided in this Section 8(d) shall be in lieu of any termination or severance payments or benefits for which the Employee may be eligible under any of the plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation.

(e) **CODE SECTION 280G.** If the Employee is a "disqualified individual," as defined in Code Section 280G(c), then, notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by the Employee with the Company (an " Other Agreement "), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Employee (including groups or classes of employees or beneficiaries of which the Employee is a member), whether or not such compensation is deferred, is in cash or equity, or is in the form of a benefit to or for the Employee (a " Benefit Arrangement "), any right to exercise, vesting, payment or benefit to the Employee under this Agreement, any Other Agreement and/or any Benefit Arrangement shall be reduced or eliminated:

(i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any exercise, vesting, payment or benefit to the Employee under this Agreement to be considered a "parachute payment" within the meaning of Code Section 280G(b)(2) as then in effect (a " Parachute Payment "); and

(ii) if, as a result of receiving such Parachute Payment, the aggregate after-tax amounts received by the Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that would be received by the Employee if reduced or eliminated so that no such payment or

benefit would be considered a Parachute Payment; such determination to be made by an accounting firm selected and paid for by the Company.

The Company shall accomplish such reduction by first reducing or eliminating any cash payments (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of performance awards, then by reducing or eliminating any accelerated vesting of options or stock appreciation rights, then by reducing or eliminating any accelerated vesting of restricted stock or stock units, then by reducing or eliminating any other remaining Parachute Payments. If there is any question as to the ordering of any reduction pursuant to this paragraph, the accounting firm selected by the Company shall determine the order in which amounts shall be reduced.

(f) **OTHER OBLIGATIONS.** Upon any termination of the Employee's employment with the Company, unless otherwise specified in a written agreement between the Company and the Employee, the Employee shall be deemed to have resigned from the Board and any other position as an officer, director or fiduciary of the Company and its affiliates, and shall take any and all actions reasonably requested by the Company to effectuate the foregoing .

(g) **EXCLUSIVE REMEDY.** The amounts payable to the Employee following termination of employment and the Employment Term hereunder pursuant to Sections 7 , 8 and 9 hereof shall be in full and complete satisfaction of the Employee's rights under this Agreement and any other claims that the Employee may have in respect of the Employee's employment with the Company or any of its affiliates, and the Employee acknowledges that such amounts are fair and reasonable, and are the Employee's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Employee's employment hereunder or any breach of this Agreement.

9. CHANGE IN CONTROL . If a Change in Control occurs on or before the date of a termination of the Employee's employment, subject to the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, the Company shall pay and provide the compensation and benefits described in Sections 8(d)(ii) and (iv) upon the closing of the Change in Control, and the Employee shall have no further right to receive any amounts pursuant to Section 8(d)(ii) or (iv); *provided* , *however* , that if a Change in Control occurs on or before the Prior Agreement Expiration Date (and on or before the date of a termination of the Employee's employment), to the extent required to comply with Code Section 409A, the Company shall instead pay and provide the compensation and benefits described in Sections 8(d)(ii) and (iv) on April 16, 2018). For avoidance of doubt, the Employee shall retain the right to receive the amounts set forth in Section 8(d)(i) and (iii) in the event of a termination described in Section 8(d) that occurs during the Employment Term on or after the date of the Change in Control.

For purposes of Section 8(d)(ii)(B) , in the event that the Employee's termination (or with respect to Section 9, a Change in Control) occurs prior to the end of the completion of three (3) Company fiscal years during the Employment Term, then the amount in Section 8(d)(ii)(B) shall be determined by using the Employee's Annual Bonus opportunity for any such fiscal year not yet completed (as determined in good faith by the Compensation Committee), together with

Annual Bonus actually earned by the Executive for the fiscal year completed during the Employment Term (if any), annualized for any such partial fiscal year.

For purposes of Section 8(d)(ii)(C) , in the event that the Employee's termination (or with respect to Section 9, a Change in Control) occurs prior to the Executive receiving three (3) Annual Grants, then the amount in Section 8(d)(ii)(C) shall be determined based on the Equity Award Value of Annual Grants (if any) made to the Employee during the Employment Term prior to the Employee's termination (or with respect to Section 9, the Change in Control).

For purposes of this Agreement:

" Annual Grant " means the grant of equity-based awards that constitute a component of a given year's annual compensation package and shall not include any isolated, one-off or non-recurring grant outside of the Employee's annual compensation package, such as (but not limited to) an initial hiring award, a retention award, an outperformance award or other similar award, in any event, as determined in the sole discretion of the Board or the Compensation Committee.

" Change in Control " means:

(i) any "person" as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the " Exchange Act ") (other than Farmland, any trustee or other fiduciary holding securities under any employee benefit plan of Farmland or any corporation owned, directly or indirectly, by the stockholders of Farmland in substantially the same proportion as their ownership of stock of Farmland), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Farmland representing 50% or more of the combined voting power of Farmland's then outstanding voting securities;

(ii) a change in the composition of the Board occurring within a twelve (12) month period, as a result of which fewer than a majority of the directors are Incumbent Directors. " Incumbent Directors " means directors who were members of the Board on the Effective Date or who were nominated or elected as directors subsequent to the Effective Date by at least a majority of the directors who were Incumbent Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Incumbent Directors at the time of such nomination or election; *provided, however,* that no director whose election to the Board was the result of an actual or threatened election contest shall be an Incumbent Director for purposes of this Agreement;

(iii) the consummation of a merger or consolidation of Farmland with any other entity or approve the issuance of voting securities in connection with a merger or consolidation of Farmland (or any direct or indirect subsidiary thereof) pursuant to applicable exchange requirements, other than (A) a merger or consolidation which would result in the voting securities of Farmland outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) at least 50.1% of the combined voting power of the voting securities of Farmland or such surviving or parent entity outstanding immediately after such merger or

consolidation or (B) a merger or consolidation effected to implement a recapitalization of Farmland (or similar transaction) in which no "person" (as defined above) is or becomes the beneficial owner, directly or indirectly, of securities of Farmland representing 50% or more of either of the then outstanding shares of common stock or the combined voting power of Farmland's then outstanding voting securities; or

(iv) the consummation of the sale or disposition by Farmland of all or substantially all of its assets (or any transaction or series of transactions within a period of twenty-four (24) months ending on the date of the last sale or disposition having a similar effect) (a) to any "person" as such term is used in Section 13(d) and 14(d) of the Exchange Act (other any trustee or other fiduciary holding securities under any employee benefit plan of Farmland or any corporation owned, directly or indirectly, by the stockholders of Farmland in substantially the same proportion as their ownership of stock of Farmland) or (b) pursuant to a formal or informal plan of liquidation or dissolution (or similar arrangement) that was approved by the Board or the Company's stockholders. For purposes of this paragraph, "all or substantially all" of Farmland's assets shall mean 80% or more of Farmland's assets measured by the value of Farmland's assets on the date of its balance sheet most recently filed with the Securities and Exchange Commission at the time of action by the Board or the Company's stockholders, as applicable.

" Equity Award Value " means (x) with respect to options and stock appreciation rights, the grant date fair value, as computed in accordance with FASB Accounting Standards Codification Topic 718, Compensation — Stock Compensation (or any successor accounting standard), and (y) with respect to equity-based awards other than options and stock appreciation rights, the product of (1) the number of shares or units subject to such award, times (2) the "fair market value" of a share of Farmland's common stock on the date of grant as determined under the plan under which such award was granted.

" Total Compensation " means the sum of the Employee's Base Salary, Annual Bonus earned during the calendar year, and the Equity Award Value of the equity awards granted to the Employee during the calendar year.

10. RELEASE. Any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Benefits shall only be payable if the Employee delivers to the Company and does not revoke a general release of claims in favor of the Company in substantially the form attached on Exhibit A hereto. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination (or with respect to Section 9, not later than seven (7) days before the Change in Control).

11. RESTRICTIVE COVENANTS.

(a) **CONFIDENTIALITY.** During the course of the Employee's employment with the Company, the Employee will have access to Confidential Information. For purposes of this Agreement, " Confidential Information " means all data, information, ideas, concepts, discoveries, trade secrets, inventions (whether or not patentable or reduced to practice), innovations, improvements, know-how, developments, techniques, methods, processes, treatments, drawings,

sketches, specifications, designs, plans, patterns, models, plans and strategies, and all other confidential or proprietary information or trade secrets in any form or medium (whether merely remembered or embodied in a tangible or intangible form or medium) whether now or hereafter existing, relating to or arising from the past, current or potential business, activities and/or operations of the Company or any of its affiliates, including, without limitation, any such information relating to or concerning finances, sales, marketing, advertising, transition, promotions, pricing, personnel, customers, suppliers, vendors, raw partners and/or competitors. The Employee agrees that the Employee shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of the Employee's assigned duties and for the benefit of the Company, either during the period of the Employee's employment or at any time thereafter, any Confidential Information or other confidential or proprietary information received from third parties subject to a duty on the Company's and its affiliates' part to maintain the confidentiality of such information, and to use such information only for certain limited purposes, in each case, which shall have been obtained by the Employee during the Employee's employment by the Company (or any predecessor). The foregoing shall not apply to information that (i) was known to the public prior to its disclosure to the Employee; (ii) becomes generally known to the public subsequent to disclosure to the Employee through no wrongful act of the Employee or any representative of the Employee; or (iii) the Employee is required to disclose by applicable law, regulation or legal process (provided that the Employee provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information).

(b) **NONCOMPETITION.** The Employee acknowledges that (i) the Employee performs services of a unique nature for the Company that are irreplaceable, and that the Employee's performance of such services to a competing business will result in irreparable harm to the Company, (ii) the Employee has had and will continue to have access to Confidential Information which, if disclosed, would unfairly and inappropriately assist in competition against the Company or any of its affiliates, (iii) in the course of the Employee's employment by a competitor, the Employee would inevitably use or disclose such Confidential Information, (iv) the Company and its affiliates have substantial relationships with their customers and the Employee has had and will continue to have access to these customers, (v) the Employee has received and will receive specialized training from the Company and its affiliates, and (vi) the Employee has generated and will continue to generate goodwill for the Company and its affiliates in the course of the Employee's employment. Accordingly, during the Employee's employment and (A) if the Employee's employment and the Employment Term are terminated by the Company for Cause, by the Employee without Good Reason or as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, for a period of one (1) year thereafter, or (B) if the Employee's employment and the Employment Term are terminated by the Company other than for Cause, by the Employee for Good Reason or as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, for a period of six (6) months thereafter, the Employee agrees that the Employee will not, directly or indirectly, own, manage, operate, control, be employed by (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) or render services to (i) any person, firm, corporation or other entity, in whatever form, with a class of securities listed on a national securities exchange, engaged in the business of owning and leasing agricultural real estate or in

any other material business in which the Company or any of its affiliates is engaged on the termination date or in which they have planned, on or prior to such date, to be engaged in on or after such date, in any locale of any country in which the Company conducts business or (ii) any person, firm, corporation or other entity, in whatever form, with assets under management or committed capital in excess of $100,000,000, engaged in the business of owning and leasing agricultural real estate or in any other material business in which the Company or any of its affiliates is engaged on the termination date or in which they have planned, on or prior to such date, to be engaged in on or after such date, in any locale of any country in which the Company conducts business. Notwithstanding the foregoing, nothing herein shall prohibit the Employee from (i) being a passive owner of not more than one percent (1%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or any of its affiliates, so long as the Employee has no active participation in the business of such corporation or (ii) owning, managing, operating, controlling, or being employed by any firm, corporation or other entity in the same capacity in which the Employee was engaged immediately prior to the Termination of the Employee's employment hereunder, as long as (a) the Board has been apprised of the identity of, and the Employee's role with, such firm, corporation or other entity and (b) the Board has previously approved the Employee's role with such firm, corporation or other entity, in the case of both (a) and (b), prior to the Employee's termination of employment. In addition, the provisions of this Section 11(b) shall not be violated by the Employee commencing employment with a subsidiary, division or unit of any entity that engages in a business in competition with the Company or any of its affiliates so long as the Employee and such subsidiary, division or unit does not engage in a business in competition with the Company or any of its affiliates.

(c) **NONSOLICITATION; NONINTERFERENCE.** (i) During the Employee's employment with the Company and (A) if the Employee's employment and the Employment Term are terminated by the Company for Cause, by the Employee without Good Reason or as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, for a period of one (1) year thereafter, or (B) if the Employee's employment and the Employment Term are terminated by the Company other than for Cause, by the Employee for Good Reason or as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, for a period of six (6) months thereafter, the Employee agrees that the Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any customer of the Company or any of its affiliates to purchase goods or services then sold by the Company or any of its affiliates from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer.

(ii) During the Employee's employment with the Company and (A) if the Employee's employment and the Employment Term are terminated by the Company for Cause, by the Employee without Good Reason or as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, for a period of one (1) year thereafter, or (B) if the Employee's employment and the Employment Term are terminated by the Company other than for Cause, by the Employee for Good Reason or as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, for a period of six (6) months thereafter, the Employee agrees that the

Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (A) solicit, aid or induce any employee, representative or agent of the Company or any of its affiliates to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent, or (B) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any of its affiliates and any of their respective vendors, joint venturers, licensors or tenants. An employee, representative or agent shall be deemed covered by this Section 11(c)(ii) while so employed or retained and for a period of six (6) months thereafter.

(iii) Notwithstanding the foregoing, the provisions of this Section 11(c) shall not be violated by (A) general advertising or solicitation not specifically targeted at Company-related persons or entities, (B) the Employee serving as a reference, upon request, for any employee of the Company or any of its affiliates so long as such reference is not for an entity that is employing or retaining the Employee, or (C) actions taken by any person or entity with which the Employee is associated if the Employee is not personally involved in any manner in the matter and has not identified such Company-related person or entity for soliciting or hiring.

(d) **NONDISPARAGMENT.** The Employee agrees not to make negative comments or otherwise disparage the Company or its officers, directors, employees, shareholders, agents or products other than in the good faith performance of the Employee's duties to the Company while the Employee is employed by the Company. The Company hereby covenants and agrees that it shall direct its directors and executive officers not to, directly or indirectly, make or solicit or encourage others to make or solicit any negative comments or otherwise disparaging remarks concerning the Employee. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

(e) **RETURN OF COMPANY PROPERTY.** On the date of the Employee's termination of employment with the Company for any reason (or at any time prior thereto at the Company's request), the Employee shall return all property belonging to the Company or its affiliates (including, but not limited to, any Company-provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Company). The Employee may retain the Employee's cell phone number as well as any rolodex and similar address books provided that such items only include contact information.

(f) **REASONABLENESS OF COVENANTS.** In signing this Agreement, the Employee gives the Company assurance that the Employee has carefully read and considered all of the terms and conditions of this Agreement, including the restraints imposed under this Section 11 hereof. The Employee agrees that these restraints are necessary for the reasonable and proper protection of the Company and its affiliates and their Confidential Information and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area, and that these restraints, individually or in the aggregate, will not prevent the Employee from obtaining other suitable employment during the period in which the

Employee is bound by the restraints. The Employee acknowledges that each of these covenants has a unique, very substantial and immeasurable value to the Company and its affiliates and that the Employee has sufficient assets and skills to provide a livelihood while such covenants remain in force. The Employee further covenants that the Employee will not challenge the reasonableness or enforceability of any of the covenants set forth in this Section 11. It is also agreed that each of the Company's affiliates will have the right to enforce all of the Employee's obligations to that affiliate under this Agreement, including without limitation pursuant to this Section 11 .

(g) **REFORMATION.** If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 11 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.

(h) **TOLLING.** In the event of any violation of the provisions of this Section 11 , the Employee acknowledges and agrees that the post-termination restrictions contained in this Section 11 shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.

(i) **SURVIVAL OF PROVISIONS.** The obligations contained in Section 11 hereof shall survive the termination or expiration of the Employment Term and the Employee's employment with the Company and shall be fully enforceable thereafter.

(j) **COOPERATION.** Upon the receipt of reasonable notice from the Company (including outside counsel), the Employee agrees that while employed by the Company, the Employee will respond and provide information with regard to matters in which the Employee has knowledge as a result of the Employee's employment with the Company, and will provide reasonable assistance to the Company, its affiliates and their respective representatives in defense of any claims that may be made against the Company or its affiliates, and will assist the Company and its affiliates in the prosecution of any claims that may be made by the Company or its affiliates, to the extent that such claims may relate to the period of the Employee's employment with the Company.

12. EQUITABLE RELIEF AND OTHER REMEDIES. The Employee acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 11 hereof would be inadequate and, in recognition of this fact, the Employee agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond or other security, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available, without the necessity of showing actual monetary damages. In the event of a violation by the Employee of Section 11 hereof, any severance being paid to the Employee pursuant to this Agreement or otherwise shall immediately cease. If the Company adopts a "clawback" or recoupment policy, payments under this Agreement will be subject to repayment to the Company to the extent so provided under the terms of such policy.

13. NO ASSIGNMENTS. This Agreement is personal to each of the parties hereto. Except as provided in this Section 13 hereof, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. The Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company, *provided* that the Company shall require such successor to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, " Company " shall mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise.

14. NOTICE . For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile or electronic mail, (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

At the address (or to the facsimile number) shown
in the books and records of the Company.

If to the Company:
4600 S. Syracuse Street, Suite 1450
Denver, CO 80237

Attention: Chief Financial Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

15. SECTION HEADINGS; INCONSISTENCY. The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

16. SEVERABILITY. The provisions of this Agreement shall be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by applicable law.

17. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

18. INDEMNIFICATION. The Company hereby agrees to indemnify the Employee and hold the Employee harmless to the extent provided under the By-Laws of the Company against and in respect of any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages resulting from the Employee's good faith performance of the Employee's duties and obligations with the Company. This obligation shall survive the termination of the Employee's employment with the Company.

19. LIABILITY INSURANCE. The Company shall cover the Employee under directors' and officers' liability insurance both during and, while potential liability exists, after the term of this Agreement in the same amount and to the same extent as the Company covers its other officers and directors.

20. GOVERNING LAW . This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Colorado (without regard to its choice of law provisions). The parties acknowledge and agree that in connection with any dispute hereunder, Company shall pay all costs and expenses, including, without limitation, its own and Employee's legal fees and expenses. Notwithstanding the above, if Company is the prevailing party in a dispute, it shall have the right to collect from Employee reasonable costs and necessary disbursements and attorneys' fees incurred on behalf of Employee in the dispute .

21. MISCELLANEOUS. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and such officer or director as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement together with all exhibits hereto sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter hereof including, without limitation, the Prior Agreement, which shall be of no further force or effect as of the Effective Date. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The payment or provision to the Employee by the Company of any remuneration, benefits or other financial obligations pursuant to this Agreement and any indemnification obligations, shall be allocated between the Company and the Operating Partnership by the Compensation Committee based on any reasonable method.

22. REPRESENTATIONS. The Employee represents and warrants to the Company that (a) the Employee has the legal right to enter into this Agreement and to perform all of the obligations on the Employee's part to be performed hereunder in accordance with its terms, and (b) the Employee is not a party to any agreement or understanding, written or oral, and is not

subject to any restriction, which, in either case, could prevent the Employee from entering into this Agreement or performing all of the Employee's duties and obligations hereunder. In addition, the Employee acknowledges that the Employee is aware of Section 304 (Forfeiture of Certain Bonuses and Profits) of the Sarbanes-Oxley Act of 2002 and the right of the Company to be reimbursed for certain payments to the Employee in compliance therewith.

23. TAX MATTERS.

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement or otherwise such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) **SECTION 409A COMPLIANCE.**

(i) The intent of the parties is that payments and benefits under this Agreement comply with (or qualify for an exemption from) Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively " Code Section 409A ") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted accordingly. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company (or its officers, directors, employees, agents, advisors or representatives) be liable for any additional tax, interest or penalty that may be imposed on the Employee by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Employee is deemed on the termination date to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Employee, and (B) the date of the Employee's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 23(b)(ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A,

(A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(vi) To the extent any compensation or benefit pursuant to Section 9 of this Agreement constitutes "nonqualified deferred compensation" for purposes of Code Section 409A, if required to comply with Code Section 409A, a Change in Control shall not be deemed to have occurred unless the transaction or event constituting the Change in Control also constitutes a "change in control event," as that term is used in Treas. Reg. Section 1.409A-3(i)(5)(i).

(vii) By entering into the amendment and restatement of this Agreement, the parties shall be deemed to have provided notice of non-renewal of the Employment Term under the Prior Agreement, so that the changes to the time and form of payment of the amounts described in Section 8(d) may become effective after the last day of the Employment Term under the Prior Agreement in accordance with Code Section 409A.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

FARMLAND PARTNERS INC.

By: ______________________________

Name: Luca Fabbri

Title: Chief Financial Officer

FARMLAND PARTNERS OPERATING PARTNERSHIP, LP

By: Farmland Partners OP GP, LLC, its general partner

By: Farmland Partners Inc., its sole member

By: ______________________________

Name: Luca Fabbri

Title: Chief Financial Officer

EMPLOYEE

____
Paul A. Pittman

EXHIBIT A

GENERAL RELEASE

I, ____________________, in consideration of and subject to the performance by Farmland Partners Inc., a Maryland corporation ("Farmland"), and Farmland Partners Operating Partnership, LP, a Delaware limited partnership (the "Operating Partnership" and, together with the Farmland and its subsidiaries, the "Company"), of its obligations under the Employment Agreement dated as of [ ], 2018 (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and all present, former and future managers, directors, officers, employees, attorneys, advisors, successors and assigns of the Company and its affiliates and direct or indirect owners (collectively, the "Released Parties") to the extent provided below (this "General Release"). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. I understand that any payments or benefits paid or granted to me under Section 8 and Section 9 of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive certain of the payments and benefits specified in Section 8 and Section 9 of the Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

2. Except as provided in paragraphs 4 and 5 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under: the Prior Agreement, Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights

law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the " Claims ").

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action or other matters covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claims, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided , however , that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding. Additionally, I am not waiving (i) any right to the Accrued Benefits or any severance benefits to which I am entitled under the Agreement, (ii) any claim relating to directors' and officers' liability insurance coverage or any right of indemnification under the Company's organizational documents or otherwise, or (iii) my rights as an equity or security holder in the Company or its affiliates.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending claim of the type described in paragraph 2 above as of the execution of this General Release.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees.

9. I agree that this General Release and the Agreement are confidential and agree not to disclose any information regarding the terms of this General Release or the Agreement, except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone.

10. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization or any governmental entity. Moreover, notwithstanding any other provision of this Agreement: (A) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding. (B) If I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the Company's trade secrets to the my attorney and use the trade secret information in the court proceeding if: (1) I file any document containing the trade secret under seal; and (2) I do not disclose the trade secret, except pursuant to court order.

11. I hereby acknowledge that Sections 8 through 14, 18 through 21 and 23 of the Agreement shall survive my execution of this General Release.

12. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

13. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

14. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not

affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

1. I HAVE READ IT CAREFULLY;

2. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;

3. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

4. I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;

5. I HAVE HAD AT LEAST **[21][45]** DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED **[21][45]** -DAY PERIOD;

6. I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;

7. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND

8. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

FPI CONFIDENTIAL

SIGNED: ________________________ DATED: ________________________

FPI CONFIDENTIAL

AMENDED AND RESTATED FARMLAND PARTNERS INC.
EMPLOYMENT AGREEMENT

This **AMENDMENDED AND RESTATED EMPLOYMENT AGREEMENT** (this " Agreement ") dated as of December 13, 2018 (the " Effective Date "), is entered into between Farmland Partners Inc., a Maryland corporation (the " Farmland "), and Farmland Partners Operating Partnership, LP, a Delaware limited partnership (the " Operating Partnership " and, together with Farmland, the " Company "), each with its principal place of business at 4600 S. Syracuse Street, Suite 1450, Denver, CO 80237, and Luca Fabbri residing at the address on file with the Company (the " Employee ").

W I T N E S S E T H

WHEREAS , Company and Employee entered into that certain Employment Agreement dated March 9, 2018 (the "Original Agreement");

WHEREAS , Employee and the Company are parties to an employment agreement dated as of April 16, 2014 (the " Prior Agreement ");

WHEREAS , the Company and the Employee desire that, effective as of the Effective Date, this Agreement supersedes and replaces in its entirety the Prior Agreement and, as of such date, the Prior Agreement shall be of no further force or effect; and

WHEREAS , the Company and Employee now wish to clarify language in the Original Agreement as set forth herein, which shall amend, restate and supersede the Original Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. POSITION AND DUTIES.

(a) During the Employment Term (as defined in Section 2 hereof), the Employee shall serve as the Chief Financial Officer of the Company. In this capacity, the Employee shall have the duties, authorities and responsibilities as are required by the Employee's position commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies, and such other duties, authorities and responsibilities as may reasonably be assigned to the Employee as the Chief Executive Officer of the Company shall designate from time to time that are not inconsistent with the Employee's position with the Company and that are consistent with the bylaws of the Company and the amended and restated agreement of limited partnership of the Operating Partnership as it may be further amended from time to time, including, but not limited to, managing the affairs of the Company. The Employee's principal place of employment with the Company shall be in Denver, Colorado, provided that the Employee understands and agrees that the Employee may be required to travel

from time to time to other locations for business purposes. The Employee shall report directly to the Chief Executive Officer of the Company.

(b) During the Employment Term, the Employee shall devote substantially all of the Employee's business time, energy, business judgment, knowledge and skill and the Employee's best efforts to the performance of the Employee's duties with the Company, provided that the foregoing shall not prevent the Employee from (i) serving on the boards of directors of non-profit organizations, (ii) participating in charitable, civic, educational, professional, community or industry affairs, and (iii) managing the Employee's personal investments and/or personal business as necessary, so long as such activities in the aggregate do not interfere or conflict with the Employee's duties hereunder or create a potential business or fiduciary conflict.

2. EMPLOYMENT TERM. The Company agrees to employ the Employee pursuant to the terms of this Agreement, and the Employee agrees to be so employed, for a term of three (3) years (the " Initial Term ") commencing as of the Effective Date. Commencing with the last day of the Initial Term, and on each subsequent anniversary of such date, the term of this Agreement shall be automatically extended for successive one-year periods, provided , however , that either party hereto may elect not to extend this Agreement by giving written notice to the other party at least sixty (60) days prior to any such anniversary date. Notwithstanding the foregoing, the Employee's employment hereunder may be earlier terminated in accordance with Section 7 hereof, subject to Section 8 hereof. The period of time between the Effective Date and the end of the Initial Term and any successor terms (or earlier upon a termination of the Employee's employment hereunder) shall be referred to herein as the " Employment Term ." If the Employee's employment continues following any expiration of the Employment Term due to either party giving notice not to extend this Agreement, such employment will be entirely "at-will," and will not be covered by this Agreement (except for the applicable restrictive covenant provisions, which are intended to survive expiration of the Agreement in all cases).

3. BASE SALARY. The Company agrees to pay the Employee a base salary at an annual rate of not less than $275,000.00, payable in accordance with the regular payroll practices of the Company, but not less frequently than monthly. The Employee's Base Salary shall be subject to annual review by the Board of Directors of Farmland (the " Board ") (or a committee thereof), and may be adjusted from time to time by the Board or the Compensation Committee of the Board (the " Compensation Committee ") in its sole discretion. The base salary as determined herein and adjusted from time to time shall constitute " Base Salary " for purposes of this Agreement.

4. ANNUAL BONUS. During the Employment Term, the Employee shall be eligible to receive an annual discretionary incentive payment under the Company's annual bonus plan as may be in effect from time to time (the " Annual Bonus ") based upon the attainment of one or more pre-established performance goals and/or such other criteria as may be established by the Board or the Compensation Committee in its sole discretion.

5. EQUITY AWARDS. The Employee shall be considered to receive equity and other long-term incentive awards (including long-term incentive units in the Operating Partnership) under any applicable plan adopted by the Company during the Employment Term.

6. EMPLOYEE BENEFITS.

(a) **BENEFIT PLANS.** During the Employment Term, the Employee shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to for the benefit of its employees generally, subject to satisfying the applicable eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided hereunder. The Employee's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time.

(b) **VACATIONS.** During the Employment Term, the Employee shall be entitled to three weeks paid vacation per calendar year (as prorated for partial years) in accordance with the Company's policy on accrual and use applicable to employees as in effect from time to time.

(c) **BUSINESS AND ENTERTAINMENT EXPENSES.** Upon presentation of reasonable substantiation and documentation as the Company may specify from time to time, the Employee shall be reimbursed in accordance with the Company's expense reimbursement policy for all reasonable out-of-pocket business and entertainment expenses incurred and paid by the Employee during the Employment Term and in connection with the performance of the Employee's duties hereunder.

7. TERMINATION. The Employee's employment and the Employment Term shall terminate on the first of the following to occur:

(a) **DISABILITY.** Upon termination of Employee's employment by the Company due to Employee's Disability. For purposes of this Agreement, " Disability " shall be defined as the inability of the Employee to have performed the Employee's material duties hereunder due to a physical or mental injury, infirmity or incapacity for one hundred eighty (180) days (including weekends and holidays) in any 365-day period as determined by the Board in its reasonable discretion. The Company shall provide at least ten (10) days' prior written notice of any termination due to Employee's Disability.

(b) **DEATH.** Automatically upon the date of death of the Employee.

(c) **CAUSE.** Upon termination of Employee's employment by the Company for Cause. " Cause " shall mean:

(i) Employee's continued failure to substantially perform duties for reasons other than Disability, or gross negligence or willful misconduct in connection with the performance of the Employee's duties to the Company;

(ii) Employee's conviction or plea of guilty or nolo contendere of a felony;

(iii) Employee's conviction of any other criminal offense involving an act of dishonesty intended to result in substantial personal enrichment of Employee at the expense of the Company or an affiliate of the Company; or

(iv) Employee's material breach of any Company policy or term of this Agreement or any other employment, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Employee and the Company or an affiliate of the Company.

Any determination of Cause by the Company will be made by a resolution approved by a majority of the members of the Board, provided that no such determination may be made until the Employee has been given written notice detailing the specific Cause event, an opportunity to appear before the full Board with legal counsel, and a period of thirty (30) days following receipt of such notice to cure such event (if susceptible to cure) to the satisfaction of the Board. Notwithstanding anything to the contrary contained herein, the Employee's right to cure and appear before the full Board with legal counsel as set forth in the preceding sentence shall not apply if there are habitual or repeated breaches by the Employee. The Company shall provide the Employee with a written notice detailing the specific circumstances alleged to constitute Cause within ninety (90) days after the first occurrence of such circumstances (or, if later, the date the Company first becomes aware, or reasonably should have become aware, of such circumstances) **.** The failure by the Company to provide written notice in detail of the circumstances constituting "Cause" within the time period set forth in the preceding sentence shall result in the Company being deemed not to have terminated employment for Cause and to have irrevocably waived any claim of such circumstances constituting Cause under this Agreement.

(d) **WITHOUT CAUSE.** Upon termination by the Company of the Employee's employment without Cause (other than for Disability).

(e) **GOOD REASON.** Upon termination by the Employee for Good Reason. " Good Reason " shall mean the occurrence of any of the following events without the express written consent of the Employee, unless such events are fully corrected in all material respects by the Company within thirty (30) days following written notification by the Employee to the Company of the occurrence of one of the following:

(i) material diminution in the Employee's Base Salary or the Employee's Total Compensation is less than $500,000;

(ii) material diminution in the Employee's duties, authorities or responsibilities (other than temporarily while physically or mentally incapacitated or as required by applicable law); or

(iii) the Company's material breach of the terms of this Agreement.

The Employee shall provide the Company with a written notice detailing the specific circumstances alleged to constitute Good Reason within ninety (90) days after the first occurrence of such circumstances that the Employee knows or reasonably should have known to constitute Good Reason, and actually terminate employment within thirty (30) days following the expiration of the Company's thirty (30)-day cure period described above **.** The failure by the Employee to provide written notice in detail of the circumstances constituting "Good Reason" within the time period set forth in the preceding sentence shall result in the Employee being

deemed not to have terminated employment for Good Reason and to have irrevocably waived any claim of such circumstances constituting Good Reason under this Agreement.

Notwithstanding anything to the contrary in the Prior Agreement, this Agreement or otherwise, in no event shall the replacement of the Prior Agreement with this Agreement constitute Good Reason.

(f) **WITHOUT GOOD REASON.** Upon the Employee's voluntary termination of employment without Good Reason. The Employee shall provide at least thirty (30) days' prior written notice of any termination without Good Reason. The Company may, in its sole discretion, make the termination effective earlier than the termination date set forth in the notice.

(g) **EXPIRATION OF EMPLOYMENT TERM; NON-EXTENSION OF AGREEMENT.** Upon the expiration of the Employment Term due to a non-extension of the Agreement by the Company or the Employee pursuant to the provisions of Section 2 hereof.

8. CONSEQUENCES OF TERMINATION.

(a) **DEATH.** In the event that the Employee's employment and the Employment Term end on account of the Employee's death, the Employee or the Employee's estate, as the case may be, shall be entitled to a lump sum payment of the following within sixty (60) days following termination of employment, or such earlier date as may be required by applicable law:

(i) any unpaid Base Salary through the termination date;

(ii) any Annual Bonus earned and accrued but unpaid;

(iii) any accrued but unused vacation time in accordance with Company policy; and

(iv) reimbursement for any unreimbursed business expenses incurred through the termination date (collectively, Sections 8(a)(i) through 8(a)(iv) hereof shall be hereafter referred to as the " Accrued Benefits ").

(b) **DISABILITY.** In the event that the Employee's employment and/or Employment Term ends on account of the Employee's Disability, the Company shall pay or provide the Employee with the following:

(i) the Accrued Benefits; and

(ii) subject to (A) the Employee's timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (" COBRA ") and (B) the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, Employee shall be reimbursed for the amount equal to the COBRA continuation coverage premiums paid by the Employee that is required for coverage of the Employee (or his eligible dependents) under the Company's major medical group health plan, for a period of eighteen (18) months, or, if less, until the Employee or his eligible dependents are no longer entitled to such COBRA coverage (the " Continued Coverage Period "), *provided* , that if at any time the Company

determines that its payment of Employee's premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the " Code "), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the premiums described above, the Company will instead pay a fully taxable monthly cash payment in an amount such that, after payment by Employee of all taxes on such payment, Employee retains an amount equal to the applicable premiums for such month, with such monthly payment being made on the last day of each month for the remainder of the Continued Coverage Period.

(c) **TERMINATION FOR CAUSE OR WITHOUT GOOD REASON OR AS A RESULT OF EMPLOYEE NON-EXTENSION OF THIS AGREEMENT.** If the Employee's employment and the Employment Term are terminated (x) by the Company for Cause, (y) by the Employee without Good Reason, or (z) as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, the Company shall pay to the Employee the Accrued Benefits.

(d) **TERMINATION WITHOUT CAUSE OR FOR GOOD REASON; OR TERMINATION AS A RESULT OF COMPANY NON-EXTENSION OF THIS AGREEMENT.** If the Employee's employment and the Employment Term are terminated (x) by the Company other than for Cause (other than death or Disability) or by the Employee for Good Reason or (y) as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, the Company shall pay or provide the Employee with the following:

(i) the Accrued Benefits;

(ii) subject to the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, an amount equal to two (2) times the sum of (A) the Base Salary in effect on the termination date, (B) the average of the three (3) most recent Annual Bonuses earned by the Employee (regardless of whether such amount was paid out on a current basis or deferred), plus (C) the average Equity Award Value (as defined below) of the three (3) most recent Annual Grants (as defined below) made to the Employee by the Company, paid in full in a lump sum within sixty (60) days after the Date of Termination; *provided* , *however* , that to the extent required by Section 409A, if the sixty (60) day period begins in one calendar year and ends in a second calendar year, payment shall be made in the second calendar year.

(iii) subject to (A) the Employee's timely election of continuation coverage under COBRA and (B) the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, Employee shall be reimbursed for the amount equal to the COBRA continuation coverage premiums paid by the Employee that is required for coverage of the Employee (or his eligible dependents) under the Company's major medical group health plan, for the Continued Coverage Period, *provided* , that if at any time the Company determines that its payment of Employee's premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code, or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the premiums described above, the

Company will instead pay a fully taxable monthly cash payment in an amount such that, after payment by Employee of all taxes on such payment, Employee retains an amount equal to the applicable premiums for such month, with such monthly payment being made on the last day of each month for the remainder of the Continued Coverage Period; and

(iv) all of the Employee's equity-based awards that are outstanding on the termination date shall immediately become fully vested and, as applicable, exercisable, without any action by the Board or Compensation Committee; *provided* , that to the extent an award is intended to qualify as performance-based compensation for purposes of Internal Revenue Code Section 162(m), such award shall not vest as a result of the termination of the Employee's employment and shall, instead, remain outstanding after such termination and shall be subject to the terms and conditions of the applicable award agreement and plan document (other than continued employment).

Payments and benefits provided in this Section 8(d) shall be in lieu of any termination or severance payments or benefits for which the Employee may be eligible under any of the plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation.

(e) **CODE SECTION 280G.** If the Employee is a "disqualified individual," as defined in Code Section 280G(c), then, notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by the Employee with the Company (an " Other Agreement "), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Employee (including groups or classes of employees or beneficiaries of which the Employee is a member), whether or not such compensation is deferred, is in cash or equity, or is in the form of a benefit to or for the Employee (a " Benefit Arrangement "), any right to exercise, vesting, payment or benefit to the Employee under this Agreement, any Other Agreement and/or any Benefit Arrangement shall be reduced or eliminated:

(i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any exercise, vesting, payment or benefit to the Employee under this Agreement to be considered a "parachute payment" within the meaning of Code Section 280G(b)(2) as then in effect (a " Parachute Payment "); and

(ii) if, as a result of receiving such Parachute Payment, the aggregate after-tax amounts received by the Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that would be received by the Employee if reduced or eliminated so that no such payment or benefit would be considered a Parachute Payment; such determination to be made by an accounting firm selected and paid for by the Company.

The Company shall accomplish such reduction by first reducing or eliminating any cash payments (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of performance awards, then by reducing or

eliminating any accelerated vesting of options or stock appreciation rights, then by reducing or eliminating any accelerated vesting of restricted stock or stock units, then by reducing or eliminating any other remaining Parachute Payments. If there is any question as to the ordering of any reduction pursuant to this paragraph, the accounting firm selected by the Company shall determine the order in which amounts shall be reduced.

(f) **OTHER OBLIGATIONS.** Upon any termination of the Employee's employment with the Company, unless otherwise specified in a written agreement between the Company and the Employee, the Employee shall be deemed to have resigned from the Board and any other position as an officer, director or fiduciary of the Company and its affiliates, and shall take any and all actions reasonably requested by the Company to effectuate the foregoing .

(g) **EXCLUSIVE REMEDY.** The amounts payable to the Employee following termination of employment and the Employment Term hereunder pursuant to Sections 7 , 8 and 9 hereof shall be in full and complete satisfaction of the Employee's rights under this Agreement and any other claims that the Employee may have in respect of the Employee's employment with the Company or any of its affiliates, and the Employee acknowledges that such amounts are fair and reasonable, and are the Employee's sole and exclusive remedy, in lieu of all other remedies at law or in equity, with respect to the termination of the Employee's employment hereunder or any breach of this Agreement.

9. CHANGE IN CONTROL . If a Change in Control occurs on or before the date of a termination of the Employee's employment, subject to the Employee's continued compliance with the obligations in Sections 10 and 11 hereof, the Company shall pay and provide the compensation and benefits described in Sections 8(d)(ii) and (iv) upon the closing of the Change in Control, and the Employee shall have no further right to receive any amounts pursuant to Section 8(d)(ii) or (iv); *provided* , *however* , that if a Change in Control occurs on or before the Prior Agreement Expiration Date (and on or before the date of a termination of the Employee's employment), to the extent required to comply with Code Section 409A, the Company shall instead pay and provide the compensation and benefits described in Sections 8(d)(ii) and (iv) on April 16, 2018). For avoidance of doubt, the Employee shall retain the right to receive the amounts set forth in Section 8(d)(i) and (iii) in the event of a termination described in Section 8(d) that occurs during the Employment Term on or after the date of the Change in Control.

For purposes of Section 8(d)(ii)(B) , in the event that the Employee's termination (or with respect to Section 9, a Change in Control) occurs prior to the end of the completion of three (3) Company fiscal years during the Employment Term, then the amount in Section 8(d)(ii)(B) shall be determined by using the Employee's Annual Bonus opportunity for any such fiscal year not yet completed (as determined in good faith by the Compensation Committee), together with Annual Bonus actually earned by the Executive for the fiscal year completed during the Employment Term (if any), annualized for any such partial fiscal year.

For purposes of Section 8(d)(ii)(C) , in the event that the Employee's termination (or with respect to Section 9, a Change in Control) occurs prior to the Executive receiving three (3) Annual Grants, then the amount in Section 8(d)(ii)(C) shall be determined based on the Equity

Award Value of Annual Grants (if any) made to the Employee during the Employment Term prior to the Employee's termination (or with respect to Section 9, the Change in Control).

For purposes of this Agreement:

" Annual Grant " means the grant of equity-based awards that constitute a component of a given year's annual compensation package and shall not include any isolated, one-off or non-recurring grant outside of the Employee's annual compensation package, such as (but not limited to) an initial hiring award, a retention award, an outperformance award or other similar award, in any event, as determined in the sole discretion of the Board or the Compensation Committee.

" Change in Control " means:

(i) any "person" as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the " Exchange Act ") (other than Farmland, any trustee or other fiduciary holding securities under any employee benefit plan of Farmland or any corporation owned, directly or indirectly, by the stockholders of Farmland in substantially the same proportion as their ownership of stock of Farmland), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Farmland representing 50% or more of the combined voting power of Farmland's then outstanding voting securities;

(ii) a change in the composition of the Board occurring within a twelve (12) month period, as a result of which fewer than a majority of the directors are Incumbent Directors. " Incumbent Directors " means directors who were members of the Board on the Effective Date or who were nominated or elected as directors subsequent to the Effective Date by at least a majority of the directors who were Incumbent Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Incumbent Directors at the time of such nomination or election; *provided, however,* that no director whose election to the Board was the result of an actual or threatened election contest shall be an Incumbent Director for purposes of this Agreement;

(iii) the consummation of a merger or consolidation of Farmland with any other entity or approve the issuance of voting securities in connection with a merger or consolidation of Farmland (or any direct or indirect subsidiary thereof) pursuant to applicable exchange requirements, other than (A) a merger or consolidation which would result in the voting securities of Farmland outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) at least 50.1% of the combined voting power of the voting securities of Farmland or such surviving or parent entity outstanding immediately after such merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of Farmland (or similar transaction) in which no "person" (as defined above) is or becomes the beneficial owner, directly or indirectly, of securities of Farmland representing 50% or more of either of the then outstanding shares of common stock or the combined voting power of Farmland's then outstanding voting securities; or

(iv) the consummation of the sale or disposition by Farmland of all or substantially all of its assets (or any transaction or series of transactions within a period of twenty-four (24) months ending on the date of the last sale or disposition having a similar effect) (a) to any "person" as such term is used in Section 13(d) and 14(d) of the Exchange Act (other any trustee or other fiduciary holding securities under any employee benefit plan of Farmland or any corporation owned, directly or indirectly, by the stockholders of Farmland in substantially the same proportion as their ownership of stock of Farmland) or (b) pursuant to a formal or informal plan of liquidation or dissolution (or similar arrangement) that was approved by the Board or the Company's stockholders. For purposes of this paragraph, "all or substantially all" of Farmland's assets shall mean 80% or more of Farmland's assets measured by the value of Farmland's assets on the date of its balance sheet most recently filed with the Securities and Exchange Commission at the time of action by the Board or the Company's stockholders, as applicable.

" Equity Award Value " means (x) with respect to options and stock appreciation rights, the grant date fair value, as computed in accordance with FASB Accounting Standards Codification Topic 718, Compensation — Stock Compensation (or any successor accounting standard), and (y) with respect to equity-based awards other than options and stock appreciation rights, the product of (1) the number of shares or units subject to such award, times (2) the "fair market value" of a share of Farmland's common stock on the date of grant as determined under the plan under which such award was granted.

" Total Compensation " means the sum of the Employee's Base Salary, Annual Bonus earned during the calendar year, and the Equity Award Value of the equity awards granted to the Employee during the calendar year.

10. RELEASE. Any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Benefits shall only be payable if the Employee delivers to the Company and does not revoke a general release of claims in favor of the Company in substantially the form attached on Exhibit A hereto. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination (or with respect to Section 9, not later than seven (7) days before the Change in Control).

11. RESTRICTIVE COVENANTS.

(a) **CONFIDENTIALITY.** During the course of the Employee's employment with the Company, the Employee will have access to Confidential Information. For purposes of this Agreement, " Confidential Information " means all data, information, ideas, concepts, discoveries, trade secrets, inventions (whether or not patentable or reduced to practice), innovations, improvements, know-how, developments, techniques, methods, processes, treatments, drawings, sketches, specifications, designs, plans, patterns, models, plans and strategies, and all other confidential or proprietary information or trade secrets in any form or medium (whether merely remembered or embodied in a tangible or intangible form or medium) whether now or hereafter existing, relating to or arising from the past, current or potential business, activities and/or operations of the Company or any of its affiliates, including, without limitation, any such information relating to or concerning finances, sales, marketing, advertising, transition,

promotions, pricing, personnel, customers, suppliers, vendors, raw partners and/or competitors. The Employee agrees that the Employee shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of the Employee's assigned duties and for the benefit of the Company, either during the period of the Employee's employment or at any time thereafter, any Confidential Information or other confidential or proprietary information received from third parties subject to a duty on the Company's and its affiliates' part to maintain the confidentiality of such information, and to use such information only for certain limited purposes, in each case, which shall have been obtained by the Employee during the Employee's employment by the Company (or any predecessor). The foregoing shall not apply to information that (i) was known to the public prior to its disclosure to the Employee; (ii) becomes generally known to the public subsequent to disclosure to the Employee through no wrongful act of the Employee or any representative of the Employee; or (iii) the Employee is required to disclose by applicable law, regulation or legal process (provided that the Employee provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information).

(b) **NONCOMPETITION.** The Employee acknowledges that (i) the Employee performs services of a unique nature for the Company that are irreplaceable, and that the Employee's performance of such services to a competing business will result in irreparable harm to the Company, (ii) the Employee has had and will continue to have access to Confidential Information which, if disclosed, would unfairly and inappropriately assist in competition against the Company or any of its affiliates, (iii) in the course of the Employee's employment by a competitor, the Employee would inevitably use or disclose such Confidential Information, (iv) the Company and its affiliates have substantial relationships with their customers and the Employee has had and will continue to have access to these customers, (v) the Employee has received and will receive specialized training from the Company and its affiliates, and (vi) the Employee has generated and will continue to generate goodwill for the Company and its affiliates in the course of the Employee's employment. Accordingly, during the Employee's employment and (A) if the Employee's employment and the Employment Term are terminated by the Company for Cause, by the Employee without Good Reason or as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, for a period of one (1) year thereafter, or (B) if the Employee's employment and the Employment Term are terminated by the Company other than for Cause, by the Employee for Good Reason or as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, for a period of six (6) months thereafter, the Employee agrees that the Employee will not, directly or indirectly, own, manage, operate, control, be employed by (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) or render services to (i) any person, firm, corporation or other entity, in whatever form, with a class of securities listed on a national securities exchange, engaged in the business of owning and leasing agricultural real estate or in any other material business in which the Company or any of its affiliates is engaged on the termination date or in which they have planned, on or prior to such date, to be engaged in on or after such date, in any locale of any country in which the Company conducts business or (ii) any person, firm, corporation or other entity, in whatever form, with assets under management or committed capital in excess of $100,000,000, engaged in the business of owning and leasing agricultural real estate or in any other material business in which the Company or any of its

affiliates is engaged on the termination date or in which they have planned, on or prior to such date, to be engaged in on or after such date, in any locale of any country in which the Company conducts business. Notwithstanding the foregoing, nothing herein shall prohibit the Employee from (i) being a passive owner of not more than one percent (1%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or any of its affiliates, so long as the Employee has no active participation in the business of such corporation or (ii) owning, managing, operating, controlling, or being employed by any firm, corporation or other entity in the same capacity in which the Employee was engaged immediately prior to the Termination of the Employee's employment hereunder, as long as (a) the Board has been apprised of the identity of, and the Employee's role with, such firm, corporation or other entity and (b) the Board has previously approved the Employee's role with such firm, corporation or other entity, in the case of both (a) and (b), prior to the Employee's termination of employment. In addition, the provisions of this Section 11(b) shall not be violated by the Employee commencing employment with a subsidiary, division or unit of any entity that engages in a business in competition with the Company or any of its affiliates so long as the Employee and such subsidiary, division or unit does not engage in a business in competition with the Company or any of its affiliates.

(c) **NONSOLICITATION; NONINTERFERENCE.** (i) During the Employee's employment with the Company and (A) if the Employee's employment and the Employment Term are terminated by the Company for Cause, by the Employee without Good Reason or as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, for a period of one (1) year thereafter, or (B) if the Employee's employment and the Employment Term are terminated by the Company other than for Cause, by the Employee for Good Reason or as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, for a period of six (6) months thereafter, the Employee agrees that the Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any customer of the Company or any of its affiliates to purchase goods or services then sold by the Company or any of its affiliates from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer.

(ii) During the Employee's employment with the Company and (A) if the Employee's employment and the Employment Term are terminated by the Company for Cause, by the Employee without Good Reason or as a result of the Employee's non-extension of the Employment Term as provided in Section 2 hereof, for a period of one (1) year thereafter, or (B) if the Employee's employment and the Employment Term are terminated by the Company other than for Cause, by the Employee for Good Reason or as a result of the Company's non-extension of the Employment Term as provided in Section 2 hereof and Employee was willing and able to remain employed, for a period of six (6) months thereafter, the Employee agrees that the Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (A) solicit, aid or induce any employee, representative or agent of the Company or any of its affiliates to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or hire or retain any such employee, representative or agent, or take any action to materially assist

or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent, or (B) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any of its affiliates and any of their respective vendors, joint venturers, licensors or tenants. An employee, representative or agent shall be deemed covered by this Section 11(c)(ii) while so employed or retained and for a period of six (6) months thereafter.

(iii) Notwithstanding the foregoing, the provisions of this Section 11(c) shall not be violated by (A) general advertising or solicitation not specifically targeted at Company-related persons or entities, (B) the Employee serving as a reference, upon request, for any employee of the Company or any of its affiliates so long as such reference is not for an entity that is employing or retaining the Employee, or (C) actions taken by any person or entity with which the Employee is associated if the Employee is not personally involved in any manner in the matter and has not identified such Company-related person or entity for soliciting or hiring.

(d) **NONDISPARAGMENT.** The Employee agrees not to make negative comments or otherwise disparage the Company or its officers, directors, employees, shareholders, agents or products other than in the good faith performance of the Employee's duties to the Company while the Employee is employed by the Company. The Company hereby covenants and agrees that it shall direct its directors and executive officers not to, directly or indirectly, make or solicit or encourage others to make or solicit any negative comments or otherwise disparaging remarks concerning the Employee. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

(e) **RETURN OF COMPANY PROPERTY.** On the date of the Employee's termination of employment with the Company for any reason (or at any time prior thereto at the Company's request), the Employee shall return all property belonging to the Company or its affiliates (including, but not limited to, any Company-provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Company). The Employee may retain the Employee's cell phone number as well as any rolodex and similar address books provided that such items only include contact information.

(f) **REASONABLENESS OF COVENANTS.** In signing this Agreement, the Employee gives the Company assurance that the Employee has carefully read and considered all of the terms and conditions of this Agreement, including the restraints imposed under this Section 11 hereof. The Employee agrees that these restraints are necessary for the reasonable and proper protection of the Company and its affiliates and their Confidential Information and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area, and that these restraints, individually or in the aggregate, will not prevent the Employee from obtaining other suitable employment during the period in which the Employee is bound by the restraints. The Employee acknowledges that each of these covenants has a unique, very substantial and immeasurable value to the Company and its affiliates and that the Employee has sufficient assets and skills to provide a livelihood while such covenants remain in force. The Employee further covenants that the Employee will not challenge the reasonableness or enforceability of any of the covenants set forth in this Section 11. It is also agreed that each of the Company's affiliates will have the right to enforce all of the Employee's obligations to that affiliate under this Agreement, including without limitation pursuant to this Section 11 .

(g) **REFORMATION.** If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 11 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.

(h) **TOLLING.** In the event of any violation of the provisions of this Section 11 , the Employee acknowledges and agrees that the post-termination restrictions contained in this Section 11 shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post-termination restriction period shall be tolled during any period of such violation.

(i) **SURVIVAL OF PROVISIONS.** The obligations contained in Section 11 hereof shall survive the termination or expiration of the Employment Term and the Employee's employment with the Company and shall be fully enforceable thereafter.

(j) **COOPERATION.** Upon the receipt of reasonable notice from the Company (including outside counsel), the Employee agrees that while employed by the Company, the Employee will respond and provide information with regard to matters in which the Employee has knowledge as a result of the Employee's employment with the Company, and will provide reasonable assistance to the Company, its affiliates and their respective representatives in defense of any claims that may be made against the Company or its affiliates, and will assist the Company and its affiliates in the prosecution of any claims that may be made by the Company or its affiliates, to the extent that such claims may relate to the period of the Employee's employment with the Company.

12. EQUITABLE RELIEF AND OTHER REMEDIES. The Employee acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 11 hereof would be inadequate and, in recognition of this fact, the Employee agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond or other security, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available, without the necessity of showing actual monetary damages. In the event of a violation by the Employee of Section 11 hereof, any severance being paid to the Employee pursuant to this Agreement or otherwise shall immediately cease. If the Company adopts a "clawback" or recoupment policy, payments under this Agreement will be subject to repayment to the Company to the extent so provided under the terms of such policy.

13. NO ASSIGNMENTS. This Agreement is personal to each of the parties hereto. Except as provided in this Section 13 hereof, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. The Company may assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company, *provided* that the Company shall require such successor to

expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company and any successor to its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise.

14. NOTICE . For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile or electronic mail, (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Employee:

At the address (or to the facsimile number) shown
in the books and records of the Company.

If to the Company:
4600 S. Syracuse Street, Suite 1450
Denver, CO 80237

Attention: Chief Executive Officer

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

15. SECTION HEADINGS; INCONSISTENCY. The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

16. SEVERABILITY. The provisions of this Agreement shall be deemed severable. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by applicable law.

17. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

18. INDEMNIFICATION. The Company hereby agrees to indemnify the Employee and hold the Employee harmless to the extent provided under the By-Laws of the Company

against and in respect of any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages resulting from the Employee's good faith performance of the Employee's duties and obligations with the Company. This obligation shall survive the termination of the Employee's employment with the Company.

19. LIABILITY INSURANCE. The Company shall cover the Employee under directors' and officers' liability insurance both during and, while potential liability exists, after the term of this Agreement in the same amount and to the same extent as the Company covers its other officers and directors.

20. GOVERNING LAW . This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of Colorado (without regard to its choice of law provisions). The parties acknowledge and agree that in connection with any dispute hereunder, Company shall pay all costs and expenses, including, without limitation, its own and Employee's legal fees and expenses. Notwithstanding the above, if Company is the prevailing party in a dispute, it shall have the right to collect from Employee reasonable costs and necessary disbursements and attorneys' fees incurred on behalf of Employee in the dispute .

21. MISCELLANEOUS. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Employee and such officer or director as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement together with all exhibits hereto sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Employee and the Company with respect to the subject matter hereof including, without limitation, the Prior Agreement, which shall be of no further force or effect as of the Effective Date. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The payment or provision to the Employee by the Company of any remuneration, benefits or other financial obligations pursuant to this Agreement and any indemnification obligations, shall be allocated between the Company and the Operating Partnership by the Compensation Committee based on any reasonable method.

22. REPRESENTATIONS. The Employee represents and warrants to the Company that (a) the Employee has the legal right to enter into this Agreement and to perform all of the obligations on the Employee's part to be performed hereunder in accordance with its terms, and (b) the Employee is not a party to any agreement or understanding, written or oral, and is not subject to any restriction, which, in either case, could prevent the Employee from entering into this Agreement or performing all of the Employee's duties and obligations hereunder. In addition, the Employee acknowledges that the Employee is aware of Section 304 (Forfeiture of Certain Bonuses and Profits) of the Sarbanes-Oxley Act of 2002 and the right of the Company to be reimbursed for certain payments to the Employee in compliance therewith.

23. TAX MATTERS.

(a) **WITHHOLDING.** The Company may withhold from any and all amounts payable under this Agreement or otherwise such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(b) **SECTION 409A COMPLIANCE.**

(i) The intent of the parties is that payments and benefits under this Agreement comply with (or qualify for an exemption from) Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively " Code Section 409A ") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted accordingly. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Employee and the Company of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company (or its officers, directors, employees, agents, advisors or representatives) be liable for any additional tax, interest or penalty that may be imposed on the Employee by Code Section 409A or damages for failing to comply with Code Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if the Employee is deemed on the termination date to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Employee, and (B) the date of the Employee's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 23(b)(ii) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Employee, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(iv) For purposes of Code Section 409A, the Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(v) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified deferred compensation" for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(vi) To the extent any compensation or benefit pursuant to Section 9 of this Agreement constitutes "nonqualified deferred compensation" for purposes of Code Section 409A, if required to comply with Code Section 409A, a Change in Control shall not be deemed to have occurred unless the transaction or event constituting the Change in Control also constitutes a "change in control event," as that term is used in Treas. Reg. Section 1.409A-3(i)(5)(i).

(vii) By entering into the amendment and restatement of this Agreement, the parties shall be deemed to have provided notice of non-renewal of the Employment Term under the Prior Agreement, so that the changes to the time and form of payment of the amounts described in Section 8(d) may become effective after the last day of the Employment Term under the Prior Agreement in accordance with Code Section 409A.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

FARMLAND PARTNERS INC.

By: ______________________________

Name: Paul A. Pittman

Title: Chief Executive Officer

FARMLAND PARTNERS OPERATING PARTNERSHIP, LP

By: Farmland Partners OP GP, LLC, its general partner

By: Farmland Partners Inc., its sole member

By: ______________________________

Name: Paul A. Pittman

Title: Chief Executive Officer

EMPLOYEE

____

Luca Fabbri

EXHIBIT A

GENERAL RELEASE

I, ______________________, in consideration of and subject to the performance by Farmland Partners Inc., a Maryland corporation ("Farmland"), and Farmland Partners Operating Partnership, LP, a Delaware limited partnership (the " Operating Partnership " and, together with the Farmland and its subsidiaries, the " Company "), of its obligations under the Employment Agreement dated as of [   ], 2018 (the " Agreement "), do hereby release and forever discharge as of the date hereof the Company and its respective affiliates and all present, former and future managers, directors, officers, employees, attorneys, advisors, successors and assigns of the Company and its affiliates and direct or indirect owners (collectively, the " Released Parties ") to the extent provided below (this " General Release "). The Released Parties are intended to be third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. I understand that any payments or benefits paid or granted to me under Section 8 and Section 9 of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive certain of the payments and benefits specified in Section 8 and Section 9 of the Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

2. Except as provided in paragraphs 4 and 5 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date that this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (including, but not limited to, any allegation, claim or violation, arising under: the Prior Agreement, Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights

law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the " Claims ").

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action or other matters covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have under the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claims, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided , however , that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding. Additionally, I am not waiving (i) any right to the Accrued Benefits or any severance benefits to which I am entitled under the Agreement, (ii) any claim relating to directors' and officers' liability insurance coverage or any right of indemnification under the Company's organizational documents or otherwise, or (iii) my rights as an equity or security holder in the Company or its affiliates.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending claim of the type described in paragraph 2 above as of the execution of this General Release.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees.

9. I agree that this General Release and the Agreement are confidential and agree not to disclose any information regarding the terms of this General Release or the Agreement, except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone.

10. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization or any governmental entity. Moreover, notwithstanding any other provision of this Agreement: (A) I will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding. (B) If I file a lawsuit for retaliation by the Company for reporting a suspected violation of law, I may disclose the Company's trade secrets to the my attorney and use the trade secret information in the court proceeding if: (1) I file any document containing the trade secret under seal; and (2) I do not disclose the trade secret, except pursuant to court order.

11. I hereby acknowledge that Sections 8 through 14, 18 through 21 and 23 of the Agreement shall survive my execution of this General Release.

12. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

13. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

14. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not

affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

1. I HAVE READ IT CAREFULLY;

2. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;

3. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

4. I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION, I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;

5. I HAVE HAD AT LEAST **[21][45]** DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE TO CONSIDER IT, AND THE CHANGES MADE SINCE MY RECEIPT OF THIS RELEASE ARE NOT MATERIAL OR WERE MADE AT MY REQUEST AND WILL NOT RESTART THE REQUIRED **[21][45]** -DAY PERIOD;

6. I UNDERSTAND THAT I HAVE SEVEN (7) DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;

7. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND

8. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

SIGNED: ______________________ DATED: ______________________

Exhibit 21.1

Entity	**State**
Farmland Partners Operating Partnership, L.P.	DE
Farmland Partners OP GP, LLC	DE
PH Farms LLC	IL
Cottonwood Valley Land, LLC	NE
FPI Colorado LLC	DE
FPI Burlington Farms LLC	DE
FPI Arkansas LLC	DE
FPI Agribusiness LLC	DE
American Farmland Company, L.P.	DE

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Farmland Partners, Inc. Registration Statements on Form S-3 (No. 333-224385, No. 333-224384, and No. 333-203799) and on Form S-8 (No. 333-195268, No. 333-203874 and No. 333-217669) of our report dated March 14, 2019, relating to the December 31, 2018 consolidated financial statements and the financial statement schedule, which appears in Farmland Partners, Inc. Annual Report on Form 10-K for the year ended December 31, 2018.

/s/ Plante & Moran PLLC

March 14, 2019
Denver, CO

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-203799, No. 333-224384 and No. 333-224385) and Form S-8 (No. 333-195268, No. 333-203874, and No. 333-217669) of Farmland Partners Inc. of our report dated March 2, 2018 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

March 14, 2019

Denver, CO

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul A. Pittman, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2018 of Farmland Partners Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 14, 2019

/s/ PAUL A. PITTMAN
Paul A. Pittman
Executive Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Luca Fabbri, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2018 of Farmland Partners Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 14, 2019

/s/ LUCA FABBRI
Luca Fabbri
Chief Financial Officer and Treasurer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Farmland Partners Inc. (the "Company") on Form 10-K for the period ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul A. Pittman, the Executive Chairman and Chief Executive Officer of the Company, and I, Luca Fabbri, the Chief Financial Officer and Treasurer of the Company, certify, to our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2019

/s/ PAUL A. PITTMAN
Paul A. Pittman
Executive Chairman and Chief Executive Officer

Date: March 14, 2019

/s/ LUCA FABBRI
Luca Fabbri
Chief Financial Officer and Treasurer